CORPORATE OFFICE PROPERTIES TRUST
Form 4
March 03, 2015

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
BUDORICK STEPHEN E

(Last) (First) (Middle)

6711 COLUMBIA GATEWAY DRIVE, SUITE 300

(Street)

COLUMBIA, MD 21046

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
CORPORATE OFFICE PROPERTIES TRUST [OFC]

3. Date of Earliest Transaction (Month/Day/Year)
03/01/2015

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
EVP & COO

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Shares	03/01/2015		F		1,015	D	(1)	32,540	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BUDORICK STEPHEN E 6711 COLUMBIA GATEWAY DRIVE SUITE 300 COLUMBIA, MD 21046			EVP & COO	

Signatures

Karen M. Singer, by Power of Attorney	03/03/2015
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) These shares were forfeited in a net share settlement in connection with restrictions laspsing on restricted shares.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. ="font-size:1.0pt;">

Constellation Brands, Inc.,
7.25%, 9/1/16 - 5/15/17

150

142

Crown Americas LLC/Crown Americas Capital Corp., 7.63%, 11/15/13 (f)	
	70
	70
CSC Holdings, Inc., 8.50%, 6/15/15 (a)	
	180
	159
DaVita, Inc., 6.63%, 3/15/13	
	145
	138

Morgan Stanley Global Opportunity Bond Fund, Inc.

December 31, 2008

Portfolio of Investments (cont d)

(Showing Percentage of Total Value of Investments)

	Face Amount (000)	Value (000)
United States (cont d)		
Corporate (cont d)		
Dex Media West LLC/Dex Media West Finance Co.,		
9.88%, 8/15/13	$ 69	$ 17
DirecTV Holdings LLC/DirecTV Financing Co.,		
6.38%, 6/15/15	15	14
7.63%, 5/15/16	120	117
Dynegy Holdings, Inc.,		
7.75%, 6/1/19	95	66
Echostar DBS Corp.,		
6.38%, 10/1/11	75	70
6.63%, 10/1/14	50	42
Edison Mission Energy,		
7.75%, 6/15/16	100	89
El Paso Corp.,		
12.00%, 12/12/13	190	187
Eye Care Centers of America,		
10.75%, 2/15/15	165	158
Fisher Scientific International, Inc.,		
6.13%, 7/1/15 (f)	170	150
Ford Motor Credit Co. LLC,		
7.00%, 10/1/13 (f)	275	190
7.25%, 10/25/11 (f)	235	172
Forest Oil Corp.,		
7.25%, 6/15/19	25	18
7.75%, 5/1/14	65	55
Foundation PA Coal Co.,		
7.25%, 8/1/14	35	29
Freeport-McMoran Copper & Gold, Inc.,		
8.38%, 4/1/17	185	152
Freescale Semiconductor, Inc.,		
8.88%, 12/15/14	155	69
Fresenius Medical Care Capital Trust IV,		
7.88%, 6/15/11	35	33
Frontier Communications Corp.,		
6.25%, 1/15/13	45	38
7.13%, 3/15/19	90	61
General Motors Acceptance Corp. LLC,	119	86

6.75%, 12/1/14 (a)(h)		
6.88%, 9/15/11 (a)(h)	161	129
7.50%, 12/31/13 (a)(h)	9	6
8.00%, 12/31/18 (a)(h)	11	6
General Motors Corp.,		
8.38%, 7/15/33	85	15
Georgia-Pacific LLC,		
7.13%, 1/15/17 (a)	105	89
Glatfelter,		
7.13%, 5/1/16	30	26
Graham Packaging Co., Inc.,		
8.50%, 10/15/12	30	21
9.88%, 10/15/14 (f)	135	84
Graphic Packaging International, Inc.,		
9.50%, 8/15/13	85	59
Harrah s Operating Co., Inc.,		
10.00%, 12/15/15 (a)	147	62
HCA, Inc.,		
5.75%, 3/15/14	55	33
6.25%, 2/15/13 (f)	90	57
7.58%, 9/15/25	65	30
7.69%, 6/15/25	25	12
9.13%, 11/15/14 (f)	220	205
Healthsouth Corp.,		
10.75%, 6/15/16	110	101
Hexcel Corp.,		
6.75%, 2/1/15	95	73
Hilcorp Energy I LP/Hilcorp Finance Co.,		
7.75%, 11/1/15 (a)	185	131
Host Hotels & Resorts LP,		
6.38%, 3/15/15	80	60
7.13%, 11/1/13 (f)	90	73
Idearc, Inc.,		
8.00%, 11/15/16	300	24
Innophos Holdings, Inc.,		
9.50%, 4/15/12 (a)	50	37
Innophos, Inc.,		
8.88%, 8/15/14	80	56
Intelsat Corp.,		
9.25%, 6/15/16 (a)(f)	175	160
Interface, Inc.,		
9.50%, 2/1/14	90	72
10.38%, 2/1/10	30	30
Invacare Corp.,		
9.75%, 2/15/15	20	18
Ipalco Enterprises, Inc.,		
8.63%, 11/14/11	30	28

The accompanying notes are an integral part of the financial statements.

Morgan Stanley Global Opportunity Bond Fund, Inc.

December 31, 2008

Portfolio of Investments (cont d)

(Showing Percentage of Total Value of Investments)

	Face Amount (000)	Value (000)
United States (cont d)		
Corporate (cont d)		
Iron Mountain, Inc.,		
7.75%, 1/15/15	$ 40	$ 36
8.63%, 4/1/13 (f)	130	123
Johnsondiversey, Inc.,		
9.63%, 5/15/12 (f)	125	103
KAR Holdings, Inc.,		
8.75%, 5/1/14	30	13
Key Energy Services, Inc.,		
8.38%, 12/1/14	100	66
Knight, Inc.,		
6.50%, 9/1/12	41	35
Koppers, Inc.,		
9.88%, 10/15/13	45	42
L-3 Communications Corp.,		
7.63%, 6/15/12	70	69
Las Vegas Sands Corp.,		
6.38%, 2/15/15	100	58
LIN Television Corp.,		
6.50%, 5/15/13	90	43
Massey Energy Co.,		
6.88%, 12/15/13	165	123
Medco Health Solutions, Inc.,		
7.13%, 3/15/18	60	56
MGM Mirage,		
6.00%, 10/1/09 (f)	200	192
13.00%, 11/15/13 (a)	175	168
Michael Foods, Inc.,		
8.00%, 11/15/13	75	65
Mirant Americas Generation LLC,		
8.50%, 10/1/21	100	76
Nalco Co.,		
7.75%, 11/15/11	55	53
National Mentor Holdings, Inc.,		
11.25%, 7/1/14	75	59
Neiman Marcus Group, Inc. (The)		
PIK,		
9.00%, 10/15/15	80	36
Newfield Exploration Co.,		
6.63%, 9/1/14 (f)	190	157
7.13%, 5/15/18	25	20
	70	30

Nextel Communications, Inc.,		
6.88%, 10/31/13		
Nortek, Inc.,		
8.50%, 9/1/14	130	31
NRG Energy, Inc.,		
7.38%, 1/15/17	90	83
Omnicare, Inc.,		
6.75%, 12/15/13	95	81
6.88%, 12/15/15	80	66
Ormat Funding Corp.,		
8.25%, 12/30/20 (b)	128	95
Owens-Illinois, Inc.,		
7.50%, 5/15/10 (f)	285	284
Oxford Industries, Inc.,		
8.88%, 6/1/11 (f)	75	57
Pacific Energy Partners		
LP/Pacific Energy Finance Corp.,		
7.13%, 6/15/14	90	79
Phillips-Van Heusen Corp.,		
7.25%, 2/15/11 (f)	125	110
Pilgrim s Pride Corp.,		
7.63%, 5/1/15 (c)	105	29
Plains Exploration & Production Co.,		
7.63%, 6/1/18	25	17
7.75%, 6/15/15	190	145
Pulte Homes, Inc.,		
6.38%, 5/15/33	15	8
Qwest Capital Funding, Inc.,		
7.25%, 2/15/11	20	17
Qwest Communications		
International, Inc.,		
5.65%, 2/15/09 (d)	51	51
RBS Global, Inc./Rexnord LLC,		
9.50%, 8/1/14	125	94
Reliant Energy, Inc.,		
7.88%, 6/15/17	90	73
Residential Capital LLC,		
8.50%, 5/15/10 (a)	5	3
Rite Aid Corp.,		
8.63%, 3/1/15	115	40
Sally Holdings LLC/Sally Capital, Inc.,		
9.25%, 11/15/14	190	164
SandRidge Energy, Inc. PIK,		
8.63%, 4/1/15	175	93
Sierra Pacific Power Co.,		
6.25%, 4/15/12	70	67
Smithfield Foods, Inc.,		
7.00%, 8/1/11 (f)	70	50
8.00%, 10/15/09	25	24
Sonic Automotive, Inc.,		
8.63%, 8/15/13	55	21

 The accompanying notes are an integral part of the financial statements.

Morgan Stanley Global Opportunity Bond Fund, Inc.

December 31, 2008

Portfolio of Investments (cont d)

(Showing Percentage of Total Value of Investments)

	Face Amount (000)	Value (000)
United States (cont d)		
Corporate (cont d)		
Sprint Capital Corp.,		
6.90%, 5/1/19 (f)	$ 145	$ 103
Sprint Nextel Corp.,		
6.00%, 12/1/16 (f)	140	99
Sun Healthcare Group, Inc.,		
9.13%, 4/15/15	65	57
SunGard Data Systems, Inc.,		
9.13%, 8/15/13	95	83
SUPERVALU, Inc.,		
7.50%, 5/15/12 - 11/15/14	115	99
Tenet Healthcare Corp.,		
7.38%, 2/1/13 (f)	185	133
9.88%, 7/1/14	45	36
Terra Capital, Inc.,		
7.00%, 2/1/17	90	67
Texas Competitive Electric		
Holdings Co. LLC,		
10.25%, 11/1/15 (a)	160	114
10.50%, 11/1/15 (a)	120	86
Vangent, Inc.,		
9.63%, 2/15/15	65	38
Verso Paper Holdings		
LLC/Verso Paper, Inc.,		
9.13%, 8/1/14	95	38
Warner Chilcott Corp.,		
8.75%, 2/1/15	77	69
Westlake Chemical Corp.,		
6.63%, 1/15/16	90	53
Williams Cos., Inc.,		
7.88%, 9/1/21 (f)	180	138
Windstream Corp.,		
8.13%, 8/1/13	40	37
XM Satellite Radio Holdings, Inc.,		
13.00%, 8/1/13 (a)	80	19
		10,223
Mortgage Securities (0.3%)		
CA FM Lease Trust,		
8.50%, 7/15/17 (a)	67	70
		10,293
Uruguay (0.2%)		
Sovereign (0.2%)		

Republic of Uruguay,		
8.00%, 11/18/22	44	41
Venezuela (3.7%)		
Sovereign (3.7%)		
Republic of Venezuela,		
5.75%, 2/26/16	79	34
7.00%, 3/31/38	130	48
8.50%, 10/8/14	120	63
9.00%, 5/7/23	49	20
9.25%, 9/15/27 - 5/7/28	1,090	530
10.75%, 9/19/13	440	290
		985
TOTAL DEBT INSTRUMENTS (Cost $31,299)		25,583
	Shares	
COMMON STOCK (0.0%)		
United States (0.0%)		
SW Acquisition LP		
(Cost $) (b)(g)(h)	1	
PREFERRED STOCKS (0.1%)		
United States (0.1%)		
Fannie Mae, 8.75%		
(Convertible)	305	@
Preferred Blocker, Inc. (a)(h)	63	20
		20
TOTAL PREFERRED STOCKS (Cost $49)		20
	No. of Warrants	
WARRANTS (0.3%)		
Nigeria (0.2%)		
Central Bank of Nigeria,		
expires 11/15/20 (d)	500	50
Venezuela (0.1%)		
Republic of Venezuela, Oil-Linked		
Payment Obligation,		
expires 4/15/20 (d)	950	24
TOTAL WARRANTS (Cost $ @)		74
	Shares	
SHORT-TERM INVESTMENTS (2.9%)		
United States (2.9%)		
Investment Company (2.7%)		
Morgan Stanley Institutional		
Liquidity Money Market		
Portfolio Institutional		
Class (i)	719,148	719

The accompanying notes are an integral part of the financial statements.

Morgan Stanley Global Opportunity Bond Fund, Inc.

December 31, 2008

Portfolio of Investments (cont d)

(Showing Percentage of Total Value of Investments)

	Face Amount (000)	Value (000)
U.S. Treasury Security (0.2%)		
U.S. Treasury Bill,		
0.002%, 1/15/09 (j)	$ 60	$ 60
TOTAL SHORT-TERM INVESTMENTS (Cost $779)		779
TOTAL INVESTMENTS (100.0%) (Cost $32,127)		26,456
LIABILITIES IN EXCESS OF OTHER ASSETS		(1,933)
NET ASSETS		$ 24,523

(a) 144A security Certain conditions for public sale may exist. Unless otherwise noted, these securities are deemed to be liquid.
(b) Security has been deemed illiquid at December 31, 2008
(c) Issuer is in default.
(d) Variable/Floating Rate Security Interest rate changes on these instruments are based on changes in a designated base rate. The rates shown are those in effect on December 31, 2008.
(e) Step Bond Coupon rate increases in increments to maturity. Rate disclosed is as of December 31, 2008. Maturity date disclosed is the ultimate maturity date.
(f) Denotes all or a portion of securities subject to repurchase under the Reverse Repurchase Agreements as of December 31, 2008.
(g) At December 31, 2008, the Fund held less than $500 of fair valued securities, representing less than 0.05% of net assets. These securities have been fair valued as determined in good faith under procedures established by and under the general supervision of the Fund s Directors.
(h) Non-income producing security.
(i) See Note G within the Notes to Financial Statements regarding investment in Morgan Stanley Institutional Liquidity Money Market Portfolio Institutional Class.
(j) Rate shown is the yield to maturity at December 31, 2008.
@ Value is less than $500.
PIK Payment-in-kind. Income may be paid in additional securities or cash at the discretion of the issuer.

Foreign Currency Exchange Contract Information:

The Fund had the following foreign currency exchange contract(s) open at period end:

Currency to Deliver (000)		Value (000)	Settlement Date	In Exchange For (000)		Value (000)	Net Unrealized Appreciation (Depreciation) (000)
EUR	165	$229	2/3/09	USD	213	$213	$(16)

USD	208	208	2/3/09	EUR	165	229	21
USD	92	92	1/12/09	MXN	1,240	90	(2)
		$529				$532	$3

BRL	Brazilian Real
EUR	Euro
MXN	Mexican Peso
NGN	Nigerian Naira
USD	United States Dollar

Portfolio Composition

Classification	Percentage of Total Investments
Sovereign	53.3%
Industrials	16.0
Energy	6.2
Other*	21.7
Short-Term Investments	2.8
Total Investments	100.0%

* Industries which do not appear in the above table, as well as those which represent less than 5% of total investments, if applicable, are included in the category labeled Other .

Morgan Stanley Global Opportunity Bond Fund, Inc.

Financial Statements

Statement of Assets and Liabilities

	December 31, 2008 (000)
Assets:	
Investments in Securities of Unaffiliated Issuers, at Value (Cost $31,408)	$ 25,737
Investment in Security of Affiliated Issuer, at Value (Cost $719)	719
Total Investments in Securities, at Value (Cost $32,127)	26,456
Cash	46
Interest Receivable	720
Receivable for Investments Sold	28
Unrealized Appreciation on Foreign Currency Exchange Contracts	21
Foreign Currency, at Value (Cost $18)	15
Dividends Receivable	1
Receivable from Affiliate	@
Other Assets	1
Total Assets	27,288
Liabilities:	
Payable For:	
Reverse Repurchase Agreements	1,763
Dividends Declared	755
Lehman Brothers Closed Swap Transactions	134
Lehman Brothers Closed Reverse Repurchase Transactions	21
Investment Advisory Fees	20
Custodian Fees	4
Directors Fees and Expenses	3
Administration Fees	2
Unrealized Depreciation on Foreign Currency Exchange Contracts	18
Other Liabilities	45
Total Liabilities	2,765
Net Assets	
Applicable to 4,103,296 Issued and Outstanding $0.01 Par Value Shares (100,000,000 Shares Authorized)	$ 24,523
Net Asset Value Per Share	$ 5.98
Net Assets Consist of:	
Common Stock	$ 41
Paid-in Capital	46,723
Undistributed Net Investment Income	168
Accumulated Net Realized Loss	(16,732)
Unrealized Appreciation (Depreciation) on Investments and Foreign Currency Exchange Contracts and Translations	(5,677)
Net Assets	$ 24,523

@ Amount is less than $500.

The accompanying notes are an integral part of the financial statements. 11

Morgan Stanley Global Opportunity Bond Fund, Inc.

Financial Statements

Statement of Operations

	Year Ended December 31, 2008 (000)
Investment Income:	
Interest from Securities of Unaffiliated Issuers	$ 2,678
Dividends from Security of Affiliated Issuer	24
Dividends from Securities of Unaffiliated Issuers	1
Total Investment Income	2,703
Expenses:	
Investment Advisory Fees (Note B)	301
Professional Fees	79
Stockholder Reporting Expenses	29
Administration Fees (Note C)	24
Custodian Fees (Note D)	13
Stockholder Servicing Agent Fees	8
Directors Fees and Expenses	1
Other Expenses	41
Expenses Before Non Operating Expenses	496
Interest Expense on Reverse Repurchase Agreements	107
Bank Overdraft Expense	1
Total Expenses	604
Rebate from Morgan Stanley Affiliated Cash Sweep (Note G)	(1)
Expense Offset (Note D)	@
Net Expenses	603
Net Investment Income	2,100
Net Realized Gain (Loss) on:	
Investments	(3,036)
Foreign Currency Transactions	104
Futures Contracts	(497)
Swap Agreements	368
Net Realized Loss	(3,061)
Change in Unrealized Appreciation (Depreciation) on:	
Investments	(5,104)
Foreign Currency Exchange Contracts and Translations	(4)
Future Contracts	27
Swap Agreements	(196)
Change in Unrealized Appreciation (Depreciation)	(5,277)
Net Realized Gain (Loss) and Change in Unrealized Appreciation (Depreciation)	(8,338)
Increase from Payment by Affiliate (Note H)	36
Net Decrease in Net Assets Resulting from Operations	$(6,202)

@ Amount is less than $500.

 The accompanying notes are an integral part of the financial statements.

Morgan Stanley Global Opportunity Bond Fund, Inc.

Financial Statements

Statements of Changes in Net Assets

	Year Ended December 31, 2008 (000)	Year Ended December 31, 2007 (000)
Increase (Decrease) in Net Assets		
Operations:		
Net Investment Income	$ 2,100	$ 2,131
Net Realized Gain (Loss)	(3,061)	955
Net Change in Unrealized Appreciation (Depreciation)	(5,277)	(1,372)
Increase from Payment by Affiliate	36	
Net Increase (Decrease) in Net Assets Resulting from Operations	(6,202)	1,714
Distributions from and/or in Excess of:		
Net Investment Income	(2,119)	(2,353)
Capital Share Transactions:		
Reinvestment of Distributions (1,975 shares in 2007)		18
Repurchase of Shares (71,235 and 29,650 shares, respectively)	(448)	(212)
Net Decrease in Net Assets Resulting from Capital Share Transactions	(448)	(194)
Total Decrease	(8,769)	(833)
Net Assets:		
Beginning of Period	33,292	34,125
End of Period (Including Undistributed (Distributions in Excess of) Net Investment Income of $168 and $(262), respectively)	$24,523	$33,292

The accompanying notes are an integral part of the financial statements.

Morgan Stanley Global Opportunity Bond Fund, Inc.

Financial Statements

Statement of Cash Flows

	Year Ended December 31, 2008 (000)
Cash Flows From Operating Activities:	
Proceeds from Sales and Maturities of Long-Term Investments	$ 18,478
Purchase of Long-Term Investments	(17,037)
Net Increase (Decrease) in Short-Term Investments	106
Net Increase (Decrease) in Foreign Currency Holdings	(14)
Net Increase (Decrease) in Cash Overdrafts	(20)
Net Realized Gain (Loss) for Foreign Currency Transactions	104
Net Realized Gain (Loss) on Futures Contracts	(497)
Net Realized Gain (Loss) on Swap Agreements	368
Reimbursement by Affiliate	36
Net Investment Income	2,100
Adjustments to Reconcile Net Investment Income to Net Cash Provided (Used) by Operating Activities:	
Net (Increase) Decrease in Receivables Related to Operations	63
Net (Increase) Decrease in Payables Related to Operations	(65)
Accretion/Amortization of Discounts and Premiums	(47)
Net Cash Provided (Used) by Operating Activities	3,575
Cash Flows From Financing Activities:	
Cash Received for Reverse Repurchase Agreements	22,468
Cash Paid for Reverse Repurchase Agreements	(23,219)
Payment for Fund Shares Repurchased	(448)
Cash Distribution Paid	(2,330)
Net Cash Provided (Used) for Financing Activities	(3,529)
Net Increase(Decrease) in Cash	46
Cash at Beginning of Period	
Cash at End of Period	$ 46
Supplemental Disclosure of Cash Flow Information:	
Interest Paid on Reverse Repurchase Agreements during the Period	$ 156

 The accompanying notes are an integral part of the financial statements.

Morgan Stanley Global Opportunity Bond Fund, Inc.

Financial Highlights

Selected Per Share Data and Ratios

	Year Ended December 31,				
	2008	**2007**	**2006**	**2005**	**2004**
Net Asset Value, Beginning of Period	$ 7.97	$ 8.12	$ 7.93	$ 8.07	$ 7.91
Net Investment Income	0.51	0.51	0.49	0.61	0.63
Net Realized and Unrealized Gain (Loss) on Investments	(2.02)	(0.11)	0.25	(0.08)	0.16
Total from Investment Operations	(1.51)	0.40	0.74	0.53	0.79
Distributions from and/or in Excess of:					
Net Investment Income	(0.51)	(0.56)	(0.55)	(0.67)	(0.63)
Anti-Dilutive Effect of Share Repurchase Program	0.02	0.01			
Increase from Payment by Affiliate	0.01				
Net Asset Value, End of Period	$ 5.98	$ 7.97	$ 8.12	$ 7.93	$ 8.07
Per Share Market Value, End of Period	$ 4.81	$ 6.97	$ 9.63	$ 9.06	$ 10.25
TOTAL INVESTMENT RETURN:					
Market Value	(24.14)%	(22.04)%	13.25%	(4.24)%	42.60%
Net Asset Value(1)	(17.49)%#	5.85%	8.96%	6.46%	10.14%
RATIOS, SUPPLEMENTAL DATA:					
Net Assets, End of Period (Thousands)	$24,523	$33,292	$34,125	$33,289	$33,858
Ratio of Expenses to Average Net Assets	2.00%+	1.91%+	2.20%	2.45%	1.91%
Ratio of Expenses to Average Net Assets Excluding Non Operating Expenses	1.65%+	1.46%+	1.59%	1.61%	1.61%
Ratio of Net Investment Income to Average Net Assets	6.97%+	6.21%+	6.18%	7.53%	8.00%
Portfolio Turnover Rate	55%	40%	39%	53%	91%

(1) Total investment return based on net asset value per share reflects the effects of changes in net asset value on the performance of the Fund during each period, and assumes dividends and distributions, if any, were reinvested. This percentage is not an indication of the performance of a stockholder s investment in the Fund based on market value due to differences between the market price of the stock and the net asset value per share of the Fund.

Per share amount is based on average shares outstanding.

\# The Adviser reimbursed the Fund for losses incurred on derivative transactions that breached an investment guideline of the Fund during the period. The impact of this reimbursement is reflected in the total investment returns shown above. Without this reimbursement, the total investment return based on net asset value would have been (17.62)%. (See Note H within the Notes to Financial Statements)

\+ Reflects rebate of certain Fund expenses in connection with the investments in Morgan Stanley Institutional Liquidity Funds Money Market Portfolio Institutional Class during the period. As a result of such rebate, the expenses as a percentage of its net assets were effected by less than 0.005%.

The accompanying notes are an integral part of the financial statements. 15

Explanation of Responses:

Morgan Stanley Global Opportunity Bond Fund, Inc.

December 31, 2008

Notes to Financial Statements

The Morgan Stanley Global Opportunity Bond Fund, Inc. (the Fund) was incorporated in Maryland on March 31, 1994, and is registered as a non-diversified, closed-end management investment company under the Investment Company Act of 1940, as amended (the 1940 Act). The Fund s primary objective is to seek to produce high current income and as a secondary objective to seek capital appreciation. In seeking to achieve these objectives the Fund will invest primarily in high yield bonds of issuers located throughout the world, including U.S. issuers and issuers in emerging countries. To the extent that the Fund invests in derivative instruments that the Adviser believes have economic characteristics similar to high yield bonds of U.S. and non-U.S. issuers, such investments will be counted for purposes of the Fund s policy in the previous sentence. To the extent the Fund makes such investments, the Fund will be subject to the risks of such derivative instruments as described herein.

A. Accounting Policies: The following significant accounting policies are in conformity with U.S. generally accepted accounting principles. Such policies are consistently followed by the Fund in the preparation of its financial statements. U.S. generally accepted accounting principles may require management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results may differ from those estimates.

1. Security Valuation: Bonds and other fixed income securities may be valued according to the broadest and most representative market. In addition, bonds and other fixed income securities may be valued on the basis of prices provided by a pricing service. The prices provided by a pricing service take into account broker dealer market price quotations for institutional size trading in similar groups of securities, security quality, maturity, coupon and other security characteristics as well as any developments related to the specific securities. Securities listed on a foreign exchange are valued at their closing price. Unlisted securities and listed securities not traded on the valuation date for which market quotations are readily available are valued at the mean between the current bid and ask prices obtained from reputable brokers. Equity securities listed on a U.S. exchange are valued at the latest quoted sales price on the valuation date. Equity securities listed or traded on NASDAQ, for which market quotations are available, are valued at the NASDAQ Official Closing Price. Debt securities purchased with remaining maturities of 60 days or less are valued at amortized cost, if it approximates market value.

All other securities and investments for which market values are not readily available, including restricted securities, and those securities for which it is inappropriate to determine prices in accordance with the aforementioned procedures, are valued at fair value as determined in good faith under procedures adopted by the Board of Directors (the Director), although the actual calculations may be done by others. Factors considered in making this determination may include, but are not limited to, information obtained by contacting the issuer, analysts, or the appropriate stock exchange (for exchange-traded securities), analysis of the issuer s financial statements or other available documents and, if necessary, available information concerning other securities in similar circumstances.

Most foreign markets close before the New York Stock Exchange (NYSE). Occasionally, developments that could affect the closing prices of securities and other assets may occur between the times at which valuations of such securities are determined (that is, close of the foreign market on which the securities trade) and the close of business on the NYSE. If these developments are expected to materially affect the value of the securities, the valuations may be adjusted to reflect the estimated fair value as of the close of the NYSE, as determined in good faith under procedures established by the Directors.

2. Reverse Repurchase Agreements: The Fund may enter into reverse repurchase agreements with institutions that the Fund s investment adviser has determined are credit-worthy. Under a reverse repurchase agreement, the Fund sells securities and agrees to repurchase them at a mutually agreed upon date and price. Reverse repurchase agreements involve the risk that the market value of the securities purchased with the proceeds from the sale of securities received by the Fund may decline below the price of the securities the Fund is obligated to repurchase. Reverse repurchase agreements also involve credit risk with the counterparty to the extent that the value of securities subject to repurchase exceed the Fund s liability under the reverse repurchase agreement. Securities subject to repurchase under reverse repurchase agreements, if any, are designated as such in the Portfolio of Investments.

Morgan Stanley Global Opportunity Bond Fund, Inc.

December 31, 2008

Notes to Financial Statements (cont d)

At December 31, 2008, the Fund had a reverse repurchase agreement outstanding with UBS Warburg as follows:

	Maturity in Less than 366 Days
Value of Securities Subject to Repurchase	$ 3,198,000
Liability Under Reverse Repurchase Agreement	$ 1,763,000
Weighted Average Days to Maturity	42.71

The weighted average weekly balance of reverse repurchase agreements outstanding during the year ended December 31, 2008 was approximately $2,730,000 at a weighted average weekly interest rate of 4.07%.

3. **Foreign Currency Translation:** The books and records of the Fund are maintained in U.S. dollars. Foreign currency amounts are translated into U.S. dollars at the mean of the bid and ask prices of such currencies against U.S. dollars last quoted by a major bank as follows:

- investments, other assets and liabilities at the prevailing rates of exchange on the valuation date;

- investment transactions and investment income at the prevailing rates of exchange on the dates of such transactions.

Although the net assets of the Fund are presented at the foreign exchange rates and market values at the close of the period, the Fund does not isolate that portion of the results of operations arising as a result of changes in the foreign exchange rates from the fluctuations arising from changes in the market prices of the securities held at period end. Similarly, the Fund does not isolate the effect of changes in foreign exchange rates from the fluctuations arising from changes in the market prices of securities sold during the period. Accordingly, realized and unrealized foreign currency gains (losses) on investments in securities are included in the reported net realized and unrealized gains (losses) on investment transactions and balances.

Net realized gains (losses) on foreign currency transactions represent net foreign exchange gains (losses) from sales and maturities of foreign currency exchange contracts, disposition of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amount of investment income and foreign withholding taxes recorded on the Fund s books and the U.S. dollar equivalent amounts actually received or paid. Net unrealized currency gains (losses) from valuing foreign currency denominated assets and liabilities at period end exchange rates are reflected as a component of unrealized appreciation (depreciation) on investments and foreign currency translations in the Statement of Assets and Liabilities. The change in net unrealized currency gains (losses) on foreign currency translations for the period is reflected in the Statement of Operations.

A significant portion of the Fund s net assets consists of securities of issuers located in emerging markets or which are denominated in foreign currencies. Changes in currency exchange rates will affect the value of and investment income from such securities. Emerging market securities are often subject to greater price volatility, limited capitalization and liquidity, and higher rates of inflation than U.S. securities. In addition, emerging market securities may be subject to substantial governmental involvement in the economy and greater social, economic and political uncertainty.

4. Derivatives: The Fund may use derivatives to achieve its investment objectives. The Fund may engage in transactions in futures contracts on foreign currencies, stock indices, as well as in options, swaps and structured products. Consistent with the Fund s investment objectives and policies, the Fund may use derivatives for non-hedging as well as hedging purposes.

Following is a description of derivative instruments that the Fund has utilized and their associated risks:

Cross Currency Hedges: The Fund may enter into cross currency hedges, which involve the sale of one currency against the positive exposure to a different currency. Cross currency hedges may be used for hedging purposes or to establish an active exposure to the exchange rate between any two currencies. Hedging the Fund s currency risks involves the risk of mismatching the Fund s obligations under a forward or futures contract with the value of securities denominated in a particular currency. For cross currency hedges, there is an additional risk to the extent that these transactions create exposure to currencies in which the Fund s securities are not denominated. At December 31, 2008, the Fund did not have any outstanding cross currency hedges.

Notes to Financial Statements (cont d)

Foreign Currency Exchange Contracts: The Fund may enter into foreign currency exchange contracts generally to attempt to protect securities and related receivables and payables against changes in future foreign exchange rates and, in certain situations, to gain exposure to a foreign currency. A foreign currency exchange contract is an agreement between two parties to buy or sell currency at a set price on a future date. The market value of the contract will fluctuate with changes in currency exchange rates. The contract is marked-to-market daily and the change in market value is recorded by the Fund as unrealized gain or loss. The Fund records realized gains or losses when the contract is closed equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. Risk may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and is generally limited to the amount of unrealized gain on the contracts, if any, at the date of default. Risks may also arise from unanticipated movements in the value of a foreign currency relative to the U.S. dollar.

Forward Foreign Currency Exchange Contracts: The Board increased the Fund s ability to invest in forward foreign currency exchange contracts up to 100%. These transactions involve the purchase or sale of a specific amount of foreign currency at the current price with delivery at a specified future date. The Fund may use these contracts to hedge against adverse movements in the foreign currencies in which portfolio securities are denominated. In addition, the Fund may use these instruments to modify its exposure to various currency markets. Use of forward foreign currency exchange contracts involves risks. If the Adviser employs a strategy that does not correlate well with the Fund s investments or the currencies in which the investments are denominated, currency contracts could result in a loss. The contracts also may increase the Fund s volatility and, thus, could involve a significant risk. At December 31, 2008, the Fund did not have any outstanding forward foreign currency exchange contracts.

Purchased & Written Options: The Fund may write covered call and put options on portfolio securities and other financial instruments. Premiums are received and are recorded as liabilities. The liabilities are subsequently adjusted to reflect the current value of the options written. Premiums received from writing options which expire are treated as realized gains. Premiums received from writing options which are exercised or are closed are added to or offset against the proceeds or amount paid on the transaction to determine the net realized gain or loss. By writing a covered call option, the Fund, in exchange for the premium, foregoes the opportunity for capital appreciation above the exercise price should the market price of the underlying security increase. By writing a put option, the Fund, in exchange for the premium, accepts the risk of having to purchase a security at an exercise price that is above the current market price.

The Fund may purchase call and put options on its securities or other financial instruments. The Fund may purchase call options to protect against an increase in the price of the security or financial instrument it anticipates purchasing. The Fund may purchase put options on securities which it holds or other financial instruments to protect against a decline in the value of the security or financial instrument or to close out covered written put positions. Risks may arise from an imperfect correlation between the change in market value of the securities purchased or sold by the Fund and from the possible lack of a liquid secondary market for an option. The maximum exposure to loss for any purchased option is limited to the premium initially paid for the option. At December 31, 2008, the Fund did not have any outstanding purchased or written options.

Foreign Options: When conducted outside the United States, options and futures may not be regulated as rigorously as in the United States, may not involve a clearing mechanism and related guarantees, and are subject to the risk of governmental actions affecting trading in, or the prices of, foreign securities, currencies and other instruments. The value of such positions also could be adversely affected by: (i) other complex foreign political, legal and economic factors, (ii) lesser availability than in the United States of data on which to make trading decisions, (iii) delays in the Fund s ability to act upon economic events occurring in foreign markets during non-business hours in the United States, (iv) the imposition of different exercise and settlement terms and procedures and margin requirements than in the United States and (v) lower trading volume and liquidity. At December 31, 2008, the Fund did not have any outstanding foreign options.

Morgan Stanley Global Opportunity Bond Fund, Inc.

December 31, 2008

Notes to Financial Statements (cont d)

Options on Foreign Currencies: The Fund may purchase and write options on foreign currencies for purposes similar to those involved with investing in forward foreign currency exchange contracts. The value of a foreign currency option depends upon the value of the underlying currency relative to the U.S. dollar. As a result, the price of the option position may vary with changes in the value of either or both currencies and have no relationship to the investment merits of a foreign security. Because foreign currency transactions occurring in the interbank market involve substantially larger amounts than those that may be involved in the use of foreign currency options, investors may be disadvantaged by having to deal in an odd lot market (generally consisting of transactions of less than $1 million) for the underlying foreign currencies at prices that are less favorable than for round lots.

There is no systematic reporting of last sale information for foreign currencies or any regulatory requirement that quotations available through dealers or other market sources be firm or revised on a timely basis. Quotation information available is generally representative of very large transactions in the interbank market and thus may not reflect relatively smaller transactions (i.e., less than $1 million) where rates may be less favorable. The interbank market in foreign currencies is a global, around-the-clock market. To the extent that the U.S. options markets are closed while the markets for the underlying currencies remain open, significant price and rate movements may take place in the underlying markets that are not reflected in the options market. At December 31, 2008, the Fund did not have any outstanding options on foreign currencies.

Structured Products: The Fund may invest in structured notes and other types of structured investments (referred to collectively as structured products). A structured note is a derivative security for which the amount of principal repayment and/or interest payments is based on the movement of one or more factors. These factors include, but are not limited to, currency exchange rates, interest rates (such as the prime lending rate or LIBOR), referenced bonds and stock indices. Some of these factors may or may not correlate to the total rate of return on one or more underlying instruments referenced in such notes. In some cases, the impact of the movements of these factors may increase or decrease through the use of multipliers or deflators.

Generally, investments in structured products are interests in entities organized and operated for the purpose of restructuring the investment characteristics of underlying investment interests or securities. These investment entities may be structured as trusts or other types of pooled investment vehicles. This type of restructuring generally involves the deposit with or purchase by an entity of the underlying investments and the issuance by that entity of one or more classes of securities backed by, or representing interests in, the underlying investments referencing an indicator related to such investments. The cash flow or rate of return on the underlying investments may be apportioned among the newly issued securities to create different investment characteristics, such as varying maturities, credit quality, payment priorities and interest rate provisions. The cash flow or rate of return on a structured product may be determined by applying a multiplier to the rate of total return on the underlying investments or referenced indicator. Application of a multiplier is comparable to the use of financial leverage, a speculative technique. Leverage magnifies the potential for gain and the risk of loss. As a result, a relatively small decline in the value of the underlying investments or referenced indicator could result in a relatively large loss in the value of a structured product. Holders of structured products bear risks of the underlying index or reference obligation and are subject to counterparty risk.

The Fund may have the right to receive payments to which it is entitled only from the structured product, and generally does not have direct rights against the issuer. While certain structured investment vehicles enable the investor to acquire interests in a pool of securities without the brokerage and other expenses associated with directly holding the same securities, investors in structured vehicles generally pay their share of the investment vehicle s administrative and other expenses. Certain structured products may be thinly traded or have a limited trading market and may have the effect of increasing the Fund s illiquidity to the extent that the Fund, at a particular point in time, may be unable to find qualified buyers for these securities.

Investments in structured notes involve risks including interest rate risk, credit risk and market risk. Where the Fund s investments in structured notes are based upon the movement of one or more factors, including currency exchange rates, interest rates, referenced bonds and stock

Notes to Financial Statements (cont d)

indices, depending on the factor used and the use of multipliers or deflators, changes in interest rates and movement of the factor may cause significant price fluctuations. Additionally, changes in the reference instrument or security may cause the interest rate on the structured note to be reduced to zero and any further changes in the reference instrument may then reduce the principal amount payable on maturity. Structured notes may be less liquid than other types of securities and more volatile than the reference instrument or security underlying the note.

Structured Securities: The Fund may invest in interests in entities organized and operated solely for the purpose of restructuring the investment characteristics of sovereign debt obligations. This type of restructuring involves the deposit with or purchase by an entity of specified instruments and the issuance by that entity of one or more classes of securities (Structured Securities) backed by, or representing interests in, the underlying instruments. Structured Securities generally will expose the Fund to credit risks of the underlying instruments as well as of the issuer of the Structured Security. Structured Securities are typically sold in private placement transactions with no active trading market. Investments in Structured Securities may be more volatile than their underlying instruments, however, any loss is limited to the amount of the original investment.

Futures: The Fund may purchase and sell futures contracts. Futures contracts provide for the sale by one party and purchase by another party of a specified amount of a specified security, index, instrument or basket of instruments. Futures contracts (secured by cash, government or other liquid securities deposited with brokers or custodians as initial margin) are valued based upon their quoted daily settlement prices; changes in initial settlement value (represented by cash paid to or received from brokers as (variation margin) are accounted for as unrealized appreciation (depreciation). When futures contracts are closed, the difference between the opening value at the date of purchase and the value at closing is recorded as realized gains or losses in the Statement of Operations.

The Fund may use futures contracts in order to manage its exposure to the stock and bond markets, to hedge against unfavorable changes in the value of securities or to remain fully invested and to reduce transaction costs. Futures contracts involve market risk in excess of the amounts recognized in the Statement of Assets and Liabilities. Risks arise from the possible movements in security values underlying these instruments. The change in value of futures contracts primarily corresponds with the value of their underlying instruments, which may not correlate with the change in value of the hedged investments. In addition, there is the risk that the Fund may not be able to enter into a closing transaction because of an illiquid secondary market. At December 31, 2008, the Fund did not have any outstanding futures contracts.

Over-the-Counter Trading: Securities and other derivative instruments that may be purchased or sold by the Fund are expected to regularly consist of instruments not traded on an exchange. The risk of non-performance by the obligor on such an instrument may be greater, and the ease with which the Fund can dispose of or enter into closing transactions with respect to such an instrument may be less than in the case of an exchange-traded instrument. In addition, significant disparities may exist between bid and ask prices for derivative instruments that are not traded on an exchange. Derivative instruments not traded on exchanges are also not subject to the same type of government regulation as exchange traded instruments, and many of the protections afforded to participants in a regulated environment may not be available in connection with such transactions.

Swaps: A swap is a derivative in the form of an agreement to exchange the return generated by one instrument for the return generated by another instrument. The payment streams are calculated by reference to a specified index and agreed upon notional amount. The term specified index includes currencies, fixed interest rates, prices, total return on interest rate indices, fixed income indices, stock indices and commodity indices (as well as amounts derived from arithmetic operations on these indices). For example, the Fund may agree to swap the return generated by a fixed income index for the return generated by a second fixed income index. The currency swaps in which the Fund may enter will generally involve an agreement to pay interest streams in one currency based on a specified index in exchange for receiving interest streams denominated in another currency. Such swaps may involve initial and final exchanges that correspond to the agreed upon notional amount. The Fund intends to use interest rate swaps for

Morgan Stanley Global Opportunity Bond Fund, Inc.

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Notes to Financial Statements (cont d)

hedging purposes, to manage the maturity and duration of the Fund, or to gain exposure to a market without directly investing in securities traded in that market.

The swaps in which the Fund may engage also include rate caps, floors and collars under which one party pays a single or periodic fixed amount(s) (or premium), and the other party pays periodic amounts based on the movement of a specified index. Swaps do not involve the delivery of securities, other underlying assets, or principal. Accordingly, the risk of loss with respect to swaps is limited to the net amount of payments that the Fund is contractually obligated to make. If the other party to a swap defaults, the Fund s risk of loss consists of the net amount of payments that the Fund is contractually entitled to receive. Currency swaps usually involve the delivery of the entire principal value of one designated currency in exchange for the other designated currency. Therefore, the entire principal value of a currency swap is subject to the risk that the other party to the swap will default on its contractual delivery obligations. If there is a default by the counterparty, the Fund may have contractual remedies pursuant to the agreements related to the transaction. The swap market has grown substantially in recent years with a large number of banks and investment banking firms acting both as principals and as agents utilizing standardized swap documentation. As a result, the swap market has become relatively liquid. Caps, floors and collars are more recent innovations for which standardized documentation has not yet been fully developed and, accordingly, they are less liquid than swaps.

The Fund will usually enter into swaps on a net basis, i.e., the two payment streams are netted out in a cash settlement on the payment date or dates specified in the instrument, with the Fund receiving or paying, as the case may be, only the net amount of the two payments. The Fund s obligations under a swap agreement will be accrued daily (offset against any amounts owing to the Fund) and any accrued but unpaid net amounts owed to a swap Counterparty will be covered by the maintenance of a segregated account consisting of cash or liquid securities to avoid any potential leveraging of the Fund.

The Fund may enter into OTC derivatives transactions (swaps, caps, floors, puts, etc., but excluding foreign exchange contracts) with counterparties that are approved by the Investment Adviser in accordance with guidelines established by the Board. These guidelines provide for a minimum credit rating for each counterparty and various credit enhancement techniques (for example, collateralization of amounts due from counterparties) to limit exposure to counterparties with ratings below AA.

The use of swaps is a highly specialized activity which involves investment techniques and risks different from those associated with ordinary fund securities transactions. If the Investment Adviser is incorrect in its forecasts of market values, interest rates, and currency exchange rates, the investment performance of the Fund would be less favorable than it would have been if this investment technique were not used.

Swap Options: The Fund may write (sell) and purchase put and call swap options. A swap option is a contract that gives a counterparty the right (but not the obligation) to enter into a new swap agreement or to shorten, extend, cancel or otherwise modify an existing swap agreement, at some designated future time on specified terms. The Fund may use swap options for hedging purposes or to manage and mitigate the credit and interest rate risk of the Fund. A swap option is a contract that gives a counterparty the right (but not the obligation) to enter into a new swap agreement or to shorten, extend, cancel or otherwise modify an existing swap agreement, at some designated future time on specified terms. The Fund may write (sell) and purchase put and call swap options. The use of swap options involves risks, including, among others, changes in the market value of securities held by the Fund, and of swap options relating to those securities may not be proportionate, (ii) there may not be a liquid market for the Fund to sell a swap option, which could result in difficulty closing a position, (iii) swap options can magnify the extent of losses incurred due to changes in the market value of the securities to which they relate and (iv) counterparty risk.

Credit Default Swaps: Credit default swaps involve commitments to pay a fixed rate in exchange for payment if a credit event affecting a third party (the referenced company) occurs. Credit events may include a failure to pay interest, bankruptcy, or restructuring. The Fund accrues for interim payments on swap contracts on a daily basis, with the net amount recorded within unrealized appreciation (depreciation) of swap contracts on the Statement of Assets and Liabilities. Once interim payments are settled in cash, the net amount is recorded within realized gain (loss) on swaps in the Statement of Operations. Credit default swaps

Morgan Stanley Global Opportunity Bond Fund, Inc.

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Notes to Financial Statements (cont d)

are marked-to-market daily based upon quotations from market makers and the change, if any, is recorded as unrealized appreciation or depreciation in the Statement of Operations.

The Fund may enter into credit default swap contracts for hedging purposes, to add leverage to its portfolio or to gain exposure to a credit in which the Fund may otherwise invest. As the seller in a credit default swap contract, the Fund would be required to pay the par (or other agreed-upon) value of a referenced debt obligation to the counterparty in the event of a default by a third party, such as a U.S. or foreign corporate issuer, on the debt obligation. In return, the Fund would receive from the counterparty a periodic stream of payments over the term of the contract provided that no event of default has occurred. If no default occurs, the Fund would keep the stream of payments and would have no payment obligations. As the seller, the Fund would effectively add leverage to the Fund because, in addition to its total net assets, the Fund would be subject to investment exposure on the notional amount of the swap.

The Fund may also purchase credit default swap contracts in order to hedge against the risk of default of debt securities held in the Fund, in which case the Fund would function as the counterparty referenced in the preceding paragraph. This would involve the risk that the investment may expire worthless and would generate income only in the event of an actual default by the issuer of the underlying obligation (as opposed to a credit downgrade or other indication of financial instability). It would also involve credit risk that the seller may fail to satisfy its payment obligations to the Fund in the event of a default.

The Fund will earmark or segregate assets in the form of cash and cash equivalents in an amount equal to the aggregate market value of the credit default swaps of which it is the seller, marked to market on a daily basis.

Interest Rate Swaps: Interest rate swaps involve the exchange of commitments to pay and receive interest based on a notional principal amount. The Fund accrues for interim payments on swap contracts on a daily basis, with the net amount recorded within unrealized appreciation (depreciation) of swap contracts on the Statement of Assets and Liabilities. Once interim payments are settled in cash, the net amount is recorded within realized gain (loss) on swaps on the Statement of Operations. In a zero-coupon interest rate swap, payments only occur at maturity, at which time one counterparty pays the total compounded fixed rate over the life of the swap and the other pays the total compounded floating rate that would have been earned had a series of LIBOR investments been rolled over through the life of the swap. The Fund amortizes its interest payment obligation over the life of the swap. The amortized portion of this payment is recorded within realized gain (loss) on the Statement of Operations. The unamortized portion of this payment is included in Due from (to) Broker on the Statement of Assets and Liabilities. Interest rate swaps are marked-to-market daily based upon quotations from market makers and the change, if any, is recorded as unrealized appreciation or depreciation in the Statement of Operations.

Total Return Swaps: Total return swaps involve commitments to pay interest in exchange for a market-linked return based on a notional amount. To the extent the total return of the security or index underlying the transaction exceeds or falls short of the offsetting interest rate obligation, the Fund will receive a payment from or make a payment to the counterparty, respectively. Total return swaps are marked-to-market daily based upon quotations from market makers and the change, if any, is recorded as unrealized appreciation or depreciation in the Statement of Operations. Periodic payments received or made at the end of each measurement period, but prior to termination, are recorded as realized gains or losses in the Statement of Operations.

Interest rate and total rate of return swaps do not involve the delivery of securities, other underlying assets, or principal. Accordingly, the risk of loss with respect to interest rate and total rate of return swaps is limited to the net amount of interest payments that the Fund is contractually obligated to make. If the other party to an interest rate or total rate of return swap defaults, the Fund s risk of loss consists of the net amount of interest payments that the Fund is contractually entitled to receive. In contrast, currency swaps may involve the delivery of the entire principal value of one designated currency in exchange for the other designated currency. Therefore, the entire principal value of a currency swap may be subject to the risk that the other party to the swap will default on its contractual delivery obligations. If there is a default by the counterparty, the Fund may have contractual remedies pursuant to the agreements related to the transaction.

Morgan Stanley Global Opportunity Bond Fund, Inc.

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Notes to Financial Statements (cont d)

Realized gains or losses on maturity or termination of swaps are presented in the Statement of Operations. Because there is no organized market for these swap agreements, the unrealized gain (loss) reported in the Statement of Assets & Liabilities may differ from that which would be realized in the event the Fund terminated its position in the agreement. Risks may arise upon entering into these agreements from the potential inability of the counterparties to meet the terms of the agreements and are generally limited to the amount of net interest payments to be received, if any, at the date of default. Risks also arise from potential losses from adverse market movements and such losses could exceed the related amounts shown in the Statement of Assets & Liabilities.

Cash collateral for swap agreements, if applicable, is deposited with the broker serving as counterparty to the agreement, and is included in Due from (to) Broker on the Statement of Assets & Liabilities. At December 31, 2008, the Fund did not have any outstanding swap agreements.

5. **Securities Sold Short:** The Fund may sell securities short. A short sale is a transaction in which the Fund sells securities it may or may not own, but has borrowed, in anticipation of a decline in the market price of the securities. The Fund is obligated to replace the borrowed securities at their market price at the time of replacement. The Fund may have to pay a premium to borrow the securities as well as pay any dividends or interest payable on the securities until they are replaced. The Fund s obligation to replace the securities borrowed in connection with a short sale will generally be secured by collateral deposited with the broker that consists of cash, U.S. government securities or other liquid, high grade debt obligations. In addition, the Fund will either place in a segregated account with its custodian or denote on its custody records an amount of cash, U.S. government securities or other liquid high grade debt obligations equal to the difference, if any, between (1) the market value of the securities sold at the time they were sold short and (2) any cash, U.S. government securities or other liquid high grade debt obligations deposited as collateral with the broker in connection with the short sale (not including the proceeds of the short sale). Short sales by the Fund involve certain risks and special considerations. Possible losses from short sales differ from losses that could be incurred from a purchase of a security because losses from short sales may be unlimited, whereas losses from purchases cannot exceed the total amount invested. At December 31, 2008, the Fund did not have any outstanding securities sold short.

6. **Bank Loans:** Bank loans generally are negotiated between a borrower and several financial institutional lenders represented by one or more lenders acting as agent of all the lenders. The agent is responsible for negotiating the loan agreement that establishes the terms and conditions of the loan and the rights of the borrower and the lenders, monitoring any collateral, and collecting principal and interest on the loan. By investing in a loan, the Fund becomes a member of a syndicate of lenders. Certain public bank loans are illiquid, meaning the Fund may not be able to sell them quickly at a fair price. Illiquid securities are also difficult to value. To the extent a bank loan has been deemed illiquid, it will be subject to the Fund s restrictions on investment in illiquid securities. The secondary market for bank loans may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods.

Bank loans are subject to the risk of default. Default in the payment of interest or principal on a loan will result in a reduction of income to the Fund, a reduction in the value of the loan, and a potential decrease in the Fund s net asset value. The risk of default will increase in the event of an economic downturn or a substantial increase in interest rates. Because public bank loans usually rank lower in priority of payment to senior loans, they present a greater degree of investment risk due to the fact that the cash flow or other property of the borrower securing the bank loan may be insufficient to meet scheduled payments after meeting the payment obligations of the senior secured obligations of the borrower. These bank loans may exhibit greater price volatility as well. As discussed above, however, because bank loans reside higher in the capital structure than high yield bonds, default losses have been historically lower in the bank loan market. Bank loans that are rated below investment grade share the same risks of other below investment grade securities. At December 31, 2008, the Fund did not have any outstanding bank loans.

7. **Mortgage Related Securities:** The Fund may invest in mortgage-related securities, including mortgage-backed securities such as mortgage pass-through securities, collateralized mortgage obligations (CMOs) and commercial mortgage-backed securities (CMBS).

Morgan Stanley Global Opportunity Bond Fund, Inc.

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Notes to Financial Statements (cont d)

Mortgage-backed securities. One type of mortgage-backed security in which the Fund may invest is a mortgage pass-through security. These securities represent a participation interest in a pool of residential mortgage loans originated by U.S. governmental or private lenders such as banks. They differ from conventional debt securities, which provide for periodic payment of interest in fixed amounts and principal payments at maturity or on specified call dates. Mortgage pass-through securities provide for monthly payments that are a pass-through of the monthly interest and principal payments made by the individual borrowers on the pooled mortgage loans. Mortgage pass-through securities may be collateralized by mortgages with fixed rates of interest or adjustable rates.

Mortgage-backed securities in which the Fund may invest have different risk characteristics than traditional debt securities. Although generally the value of fixed-income securities increases during periods of falling interest rates and decreases during periods of rising rates, this is not always the case with mortgage-backed securities. This is due to the fact that principal on underlying mortgages may be prepaid at any time as well as other factors. Generally, prepayments will increase during a period of falling interest rates and decrease during a period of rising interest rates. The rate of prepayments also may be influenced by economic and other factors. Prepayment risk includes the possibility that, as interest rates fall, securities with stated interest rates may have the principal prepaid earlier than expected, requiring the Fund to invest the proceeds at generally lower interest rates. Investments in mortgage-backed securities are made based upon, among other things, expectations regarding the rate of prepayments on underlying mortgage pools. Rates of prepayment, faster or slower than expected by the Investment Adviser, could reduce the Fund s yield, increase the volatility of the Fund and/or cause a decline in net asset value. Certain mortgage-backed securities may be more volatile and less liquid than other traditional types of debt securities.

Collateralized mortgage obligations. CMOs are debt obligations collateralized by mortgage loans or mortgage pass-through securities (collectively Mortgage Assets). Payments of principal and interest on the Mortgage Assets and any reinvestment income are used to make payments on the CMOs. CMOs are issued in multiple classes. Each class has a fixed or floating rate and a stated maturity or final distribution date. The principal and interest on the Mortgage Assets may be allocated among the classes in a number of different ways. Certain classes will, as a result of the allocation, have more predictable cash flows than others. Interest is paid or accrues on all classes of the CMOs on a monthly, quarterly or semi-annual basis.

As a general matter, the more predictable the cash flow, the lower the yield relative to other Mortgage Assets. The less predictable the cash flow, the higher the yield and the greater the risk. The Fund may invest in any class of CMO.

The principal and interest on the Mortgage Assets comprising a CMO may be allocated among the several classes of a CMO in many ways. The general goal in allocating cash flows on Mortgage Assets to the various classes of a CMO is to create certain tranches on which the expected cash flows have a higher degree of predictability than do the underlying Mortgage Assets. As a general matter, the more predictable the cash flow is on a particular CMO tranche, the lower the anticipated yield on that tranche at the time of issue will be relative to the prevailing market yields on the Mortgage Assets. As part of the process of creating more predictable cash flows on certain tranches of a CMO, one or more tranches generally must be created that absorb most of the changes in the cash flows on the underlying Mortgage Assets. The yields on these tranches are generally higher than prevailing market yields on other mortgage related securities with similar average lives. Principal prepayments on the underlying Mortgage Assets may cause the CMOs to be retired substantially earlier than their stated maturities or final distribution dates. Because of the uncertainty of the cash flows on these tranches, the market prices and yields of these tranches are more volatile and may increase or decrease in value substantially with changes in interest rates and/or the rates of prepayment. Due to the possibility that prepayments (on home mortgages and other collateral) will alter the cash flow on CMOs, it is not possible to determine in advance the final maturity date or average life. Faster prepayment will shorten the average life and slower prepayments will lengthen it. In addition, if the collateral securing CMOs or any third party guarantees are insufficient to make payments, the Fund could sustain a loss.

Commercial mortgage-backed securities. The Fund may invest in CMBS. CMBS are generally multi-class or pass-through securities backed by a mortgage loan or a pool of

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Morgan Stanley Global Opportunity Bond Fund, Inc.

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Notes to Financial Statements (cont d)

mortgage loans secured by commercial property, such as industrial and warehouse properties, office buildings, retail space and shopping malls, multifamily properties and cooperative apartments. Private lenders, such as banks or insurance companies, originate these loans and then sell the loans directly into a CMBS trust or other entity. The commercial mortgage loans that underlie CMBS are generally not amortizing or not fully amortizing. That is, at their maturity date, repayment of their remaining principal balance or balloon is due and is repaid through the attainment of an additional loan or sale of the property. An extension of a final payment on commercial mortgages will increase the average life of the CMBS, generally resulting in lower yield for discount bonds and a higher yield for premium bonds. Unlike most single family residential mortgages, commercial real estate property loans often contain provisions which substantially reduce the likelihood that such securities will be prepaid. The provisions generally impose significant prepayment penalties on loans and, in some cases, there may be prohibitions on principal prepayments for several years following origination.

CMBS are subject to credit risk and prepayment risk. Although prepayment risk is present, it is of a lesser degree in the CMBS than in the residential mortgage market; commercial real estate property loans often contain provisions which substantially reduce the likelihood that such securities will be prepaid (e.g., significant prepayment penalties on loans and, in some cases, prohibition on principal payments for several years following origination).

Stripped Mortgage-Backed Securities. The Fund may invest in stripped mortgage-backed securities. Stripped mortgage-backed securities are usually structured in two classes. One class entitles the holder to receive all or most of the interest but little or none of the principal of a pool of Mortgage Assets (the interest-only or IO Class), while the other class entitles the holder to receive all or most of the principal but little or none of the interest (the principal-only or PO Class).

Investments in each class of stripped mortgage-backed securities are extremely sensitive to changes in interest rates. IOs tend to decrease in value substantially if interest rates decline and prepayment rates become more rapid. POs tend to decrease in value substantially if interest rates increase and the rate of prepayment decreases. If the Fund invests in stripped mortgage-backed securities and interest rates move in a manner not anticipated by Fund management, it is possible that the Fund could lose all or substantially all of its investment.

Inverse Floaters. The Fund may invest in inverse floaters. An inverse floater has a coupon rate that moves in the direction opposite to that of a designated interest rate index. Investments in inverse floaters are subject to certain risks. Like most other fixed-income securities, the value of inverse floaters will decrease as interest rates increase. They are more volatile, however, than most other fixed-income securities because the coupon rate on an inverse floater typically changes at a multiple of the change in the relevant index rate.

Thus, any rise in the index rate (as a consequence of an increase in interest rates) causes a correspondingly greater drop in the coupon rate of an inverse floater while a drop in the index rate causes a correspondingly greater increase in the coupon of an inverse floater. Some inverse floaters may also increase or decrease substantially because of changes in the rate of prepayments.

To the extent the Fund invests in mortgage securities offered by non-governmental issuers, such as commercial banks, savings and loan institutions, private mortgage insurance companies, mortgage bankers and other secondary market issuers, the Fund may be subject to additional risks. Timely payment of interest and principal of non-governmental issuers are supported by various forms of private insurance or guarantees, including individual loan, title, pool and hazard insurance purchased by the issuer. There can be no assurance that the private insurers can meet their obligations under the policies. An unexpectedly high rate of defaults on the mortgages held by a mortgage pool may adversely affect the value of a mortgage backed security and could result in losses to the Fund. The risk of such defaults is generally higher in the case of mortgage pools that include subprime mortgages. Subprime mortgages refer to loans made to borrowers with weakened credit histories or with a lower capacity to make timely payments on their mortgages.

8. New Accounting Pronouncement: On March 19, 2008, Financial Accounting Standards Board (FASB) released Statement of Financial Accounting Standards No. 161, Disclosures about Derivative Instruments and Hedging Activities (SFAS 161). SFAS 161 requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts

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Notes to Financial Statements (cont d)

of and gains and losses on derivative instruments, and disclosures about credit-risk-related contingent features in derivative agreements. The application of SFAS 161 is required for fiscal years and interim periods beginning after November 15, 2008. At this time, management is evaluating the implications of SFAS 161 and its impact on the financial statements has not yet been determined.

9. **Fair Value Measurement:** The Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements (SFAS 157), effective January 1, 2008. In accordance with SFAS 157, fair value is defined as the price that the Fund would receive to sell an investment or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market the most advantageous market for the investment or liability. SFAS 157 establishes a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in valuing asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity s own assumptions about the assumptions market participants would use in valuing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish classification of fair value measurements for disclosure purposes. Various inputs are used in determining the value of the Fund s investments. The inputs are summarized in the three broad levels listed below.

Level 1 quoted prices in active markets for identical securities

Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 significant unobservable inputs (including the Fund s own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used as of December 31, 2008 in valuing the Fund s investments carried at value:

Valuation Inputs

	Investments in Securities (000)	Other Financial Instruments* (000)
Level 1 - Quoted Prices	$ 719	$
Level 2 - Other Significant Observable Inputs	25,737	(1,753)
Level 3 - Significant Unobservable Inputs	**	
Total	$ 26,456	$ (1,753)

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining value:

	Investments in Securities (000)
Balance as of 12/31/07	$ 20
Accrued discounts/premiums	@
Realized gain (loss)	(806)
Change in unrealized appreciation (depreciation)	797
Net purchases (sales)	(11)
Net transfers in and/or out of Level 3	
Balance as of 12/31/08	$ **
The amount of total gains (losses) for the period included in earnings attributable to the change in unrealized gains (losses) relating to assets and liabilities still held at 12/31/08.	$

@ Amount is less than $500.

*Other financial instruments include forwards and reverse repurchase agreements.

**Includes a security which is valued at zero.

10. **Other:** Security transactions are accounted for on the date the securities are purchased or sold. Realized gains (losses) on the sale of investment securities are determined on the specific identified cost basis. Interest income is recognized on the accrual basis and discounts and premiums on investments purchased are

Morgan Stanley Global Opportunity Bond Fund, Inc.

December 31, 2008

Notes to Financial Statements (cont d)

accreted or amortized in accordance with the effective yield method over their respective lives, except where collection is in doubt.

B. **Investment Advisory Fees:** Morgan Stanley Investment Management Inc. (the Adviser or MS Investment Management) provides investment advisory services to the Fund under the terms of an Investment Advisory and Management Agreement (the Agreement). Under the Agreement, the Adviser is paid a fee computed weekly and payable monthly at an annual rate of 1.00% of the Fund s average weekly net assets.

C. **Administration Fees:** MS Investment Management also serves as Administrator to the Fund pursuant to an Administration Agreement. Under the Administration Agreement, the administration fee is 0.08% of the Fund s average weekly net assets. MS Investment Management has agreed to limit the administration fee through a waiver so that it will be no greater than the previous administration fee (prior to November 1, 2004) of 0.02435% of the Fund s average weekly net assets plus $24,000 per annum. This waiver is voluntary and may be terminated at any time. For the year ended December 31, 2008, no administration fees were waived pursuant to this arrangement. Under a sub-administration agreement between the Administrator and JPMorgan Investor Services Co. (JPMIS), a corporate affiliate of JPMorgan Chase Bank, N.A., JPMIS provides certain administrative services to the Fund. For such services, the Administrator pays JPMIS a portion of the fee the Administrator receives from the Fund. Administration costs (including out-of-pocket expenses) incurred in the ordinary course of providing services under the agreement, except pricing services and extraordinary expenses, will be covered under the administration fee.

D. **Custodian Fees:** JPMorgan Chase Bank, N.A., (the Custodian) serves as Custodian for the Fund. The Custodian holds cash, securities, and other assets of the Fund as required by the 1940 Act. Custody fees are payable monthly based on assets held in custody, investment purchases and sales activity and account maintenance fees, plus reimbursement for certain out-of-pocket expenses.

The Fund has entered into an arrangement with its Custodian whereby credits realized on uninvested cash balances were used to offset a portion of the Fund s expenses. These custodian credits are shown as Expense Offset on the Statement of Operations.

E. **Federal Income Taxes:** It is the Fund s intention to continue to qualify as a regulated investment company and distribute all of its taxable income. Accordingly, no provision for Federal income taxes is required in the financial statements. Distributions to stockholders are recorded on the ex-dividend date.

The Fund may be subject to taxes imposed by countries in which it invests. Such taxes are generally based on income and/ or capital gains earned or repatriated. Taxes are accrued and applied to net investment income, net realized gains and net unrealized appreciation as such income and/or gains are earned.

Financial Accounting Standards Board Interpretation No. 48 *Accounting for Uncertainty in Income Taxes*(FIN 48)sets forth a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return. Management has concluded there are no significant uncertain tax positions that would require recognition in the financial statements. If applicable, the Fund recognizes interest accrued related to unrecognized tax benefits in Interest Expense and penalties in Other expenses on the Statement of Operations. The Fund files tax returns with the U.S. Internal Revenue Service, New York and various states. Generally, each of the tax years in the four year period ended December 31, 2008, remains subject to examination by taxing authorities.

The tax character of distributions paid may differ from the character of distributions shown on the Statements of Changes in Net Assets due to short-term capital gains being treated as ordinary income for tax purposes. The tax character of distributions paid during fiscal 2008 and 2007 was as follows:

2008 Distributions Paid From: (000)		**2007 Distributions Paid From: (000)**	
Ordinary Income	**Long-term Capital Gain**	**Ordinary Income**	**Long-term Capital Gain**
$2,119	$	$2,353	$

The amount and character of income and capital gain distributions to be paid by the Fund are determined in accordance with Federal income tax regulations, which may differ from U.S. generally accepted accounting principles. The book/tax differences are considered either temporary or permanent in nature.

Temporary differences are generally due to differing book and tax treatments for the timing of the recognition of gains (losses) on certain investment transactions and the timing of the deductibility of certain expenses.

Morgan Stanley Global Opportunity Bond Fund, Inc.

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Notes to Financial Statements (cont d)

Permanent differences, primarily due to differing treatments of gains (losses) related to foreign currency transactions, paydown reclass, swap transactions and investment in certain fixed income securities, resulted in the following reclassifications among the components of net assets at December 31, 2008:

Increase (Decrease)		
Undistributed (Distributions in Excess of) Net Investment Income (Loss) (000)	**Accumulated Net Realized Gain (Loss) (000)**	**Paid-in Capital (000)**
$449	$(432)	$(17)

At December 31, 2008, the components of distributable earnings on a tax basis were as follows:

Undistributed Ordinary Income (000)	**Undistributed Long-term Capital Gain (000)**
$278	$

At December 31, 2008, the U.S. Federal income tax cost basis of investments was approximately $32,214,000 and, accordingly, net unrealized depreciation for U.S. Federal income tax purposes was $5,758,000 of which $438,000 related to appreciated securities and $6,196,000 related to depreciated securities.

At December 31, 2008, the Fund had a capital loss carryforward for U.S. Federal income tax purposes of approximately $15,094,000 to offset against future capital gains of which $1,037,000 will expire on December 31, 2009, $6,605,000 will expire on December 31, 2010, $5,597,000 will expire on December 31, 2011 and $1,855,000 will expire on December 31, 2016.

Net capital, currency and passive foreign investment company (PFIC) losses incurred after October 31, and within the taxable year are deemed to arise on the first day of the Fund s next taxable year. For the year ended December 31, 2008, the Fund deferred to January 2, 2009, for U.S. Federal income tax purposes, capital losses of approximately $1,459,000.

F. **Contractual Obligations:** The Fund enters into contracts that contain a variety of indemnifications. The Fund s maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

G. **Security Transactions and Transactions with Affiliates:** The Fund invests in the Institutional Class of the Morgan Stanley Institutional Liquidity Money Market Portfolio, an open-end management investment company managed by the Adviser. Investment Advisory fees paid by the Fund are reduced by an amount equal to its pro-rata share of advisory and administration fees paid by the Morgan Stanley Institutional Liquidity Money Market Portfolio. For the year ended December 31, 2008, advisory fees paid were reduced by approximately $1,000 relating to the Fund s investment in the Morgan Stanley Institutional Liquidity Money Market Portfolio.

A summary of the Fund s transactions in shares of the affiliated issuer during the year ended December 31, 2008 is as follows:

Market Value December 31, 2007 (000)	Purchases at Cost (000)	Sales Proceeds (000)	Dividend Income (000)	Market Value December 31, 2008 (000)
$835	$18,298	$18,414	$24	$719

During the year ended December 31, 2008, the Fund made purchases and sales totaling approximately $17,189,000 and $18,568,000, respectively, of investment securities other than long-term U.S. Government securities and short-term investments. For the year ended December 31, 2008, sales of long-term U.S. Government securities were approximately $386,000.

During the year ended December 31, 2008, the Fund incurred no brokerage commissions with Morgan Stanley & Co. Incorporated, an affiliated broker/dealer.

H. **Reimbursement by Affiliate:** The Adviser reimbursed the Fund for a loss of approximately $36,000 incurred on derivative transactions that breached an investment guideline of the Fund during the period. The amount is reflected in the Statement of Operations and Statements of Changes in Net Assets.

I. **Other:** A significant portion of the Fund s total investments consists of U.S. high yield securities rated below investment grade. Investments in high yield securities are accompanied by a greater degree of credit risk and the risk tends to be more sensitive to economic conditions than higher-rated securities.

Emerging market and high yield investments are often traded by one market maker who may also be utilized by the Fund to provide pricing information used to value such securities. The amounts which will be realized upon disposition of the securities

Morgan Stanley Global Opportunity Bond Fund, Inc.

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Notes to Financial Statements (cont d)

may differ from the value reflected on the Portfolio of Investments and the differences could be material.

On June 19, 2007, the Directors approved a procedure whereby the Fund may, when appropriate, purchase shares in the open market or in privately negotiated transactions at a price not above market value or net asset value, whichever is lower at the time of the purchase. During the year ended December 31, 2008, the Fund repurchased 71,235 of its shares at an average discount of 15.33% from net asset value per share. Since the inception of the program, the Fund has repurchased 100,885 of its shares at an average discount of 14.66% from net asset value per share. The Fund expects to continue to repurchase its outstanding shares at such time and in such amounts as it believes will further the accomplishment of the foregoing objectives, subject to review by the Directors.

On December 12, 2008 the Officers of the Fund, pursuant to authority granted by the Directors, declared a distribution of $0.1841 per share, derived from net investment income, payable on January 7, 2009, to stockholders of record on December 31, 2008.

J. **Supplemental Proxy Information (unaudited):** On June 19, 2008, an annual meeting of the Fund s stockholders was held for the purpose of voting on the following matter, the results of which were as follows:

Election of Directors by all stockholders:

	For	**Withhold**
Kathleen A. Dennis	3,417,531	199,319
Joseph J. Kearns	3,410,883	205,967
Michael E. Nugent	3,407,743	209,107
Fergus Reid	3,405,589	211,261

Federal Income Tax Information (unaudited)

For Federal Income Tax purposes, the following information is furnished with respect to the Fund s earnings for its taxable year ended December 31, 2008.

For non-U.S. residents, the Fund may designate up to a maximum of approximately $19,000 as qualifying as interest-related dividends.

In January, the Fund provides tax information to stockholders for the preceding calendar year.

For More Information About Portfolio Holdings (unaudited)

The Fund provides a complete schedule of portfolio holdings in its semi-annual and annual reports within 60 days of the end of the Fund s second and fourth fiscal quarters. The semi-annual reports and the annual reports are filed electronically with the Securities and Exchange Commission (SEC) on Form N-CSRS and Form N-CSR, respectively. Morgan Stanley also delivers the semi-annual and annual reports to Fund stockholders and makes these reports available on its public website, www.morganstanley.com/msim. Each Morgan Stanley fund also files a complete schedule of portfolio holdings with the SEC for the Fund s first and third fiscal quarters on Form N-Q. Morgan Stanley does not deliver the reports for the first and third fiscal quarters to stockholders, nor are the reports posted to the Morgan Stanley public website. You may, however, obtain the Form N-Q filings (as well as the Form N-CSR and N-CSRS filings) by accessing the SEC s website, www.sec.gov. You may also review and copy them at the SEC s public reference room in Washington, DC. Information on the operation of the SEC s Public Reference Room may be obtained by calling the SEC at 1(800) SEC-0330. You can also request copies of these materials, upon payment of a duplicating fee, by electronic request at the SEC s e-mail address (publicinfo@sec.gov) or by writing the public reference section of the SEC, Washington, DC 20549-0102.

In addition to filing a complete schedule of portfolio holdings with the SEC each fiscal quarter, the Fund makes portfolio holdings information available by periodically providing the information on its public website, www.morganstanley.com/msim.

The Fund provides a complete schedule of portfolio holdings on the public website on a calendar-quarter basis approximately 31 calendar days after the close of the calendar quarter. The Fund also provides Top 10 holdings information on the public website approximately 15 business days following the end of each month. You may obtain copies of the Fund s monthly or calendar-quarter website postings, by calling 1(800) 231-2608.

Notes to Financial Statements (cont d)

Proxy Voting Policy and Procedures and Proxy Voting Record (unaudited)

A copy of (1) the Fund s policies and procedures with respect to the voting of proxies relating to the Fund s portfolio securities; and (2) how the Fund voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30, is available without charge, upon request, by calling 1 (800) 548-7786 or by visiting our website at www.morganstanley.com/msim. This information is also available on the SEC s website at www.sec.gov.

Portfolio Management (unaudited)

The Fund is managed by members of the Taxable Fixed Income and Taxable High Yield teams. The teams consist of portfolio managers and analysts. Current members of the teams jointly and primarily responsible for the day-to-day management of the Fund s portfolio are Eric J. Baurmeister, Federico L. Kaune, Abigail L. McKenna and Dennis Schaney, each a Managing Director of the Adviser. Mr. Baurmeister has been associated with the Adviser in an investment management capacity since 1997 and joined the team managing the Fund in July 2003. Mr. Kaune has been associated with the Adviser in an investment management capacity since 2002 and joined the team managing the Fund in July 2003. Ms. McKenna has been associated with the Adviser in an investment management capacity since 1996 and joined the team managing the Fund in July 2003. Mr. Schaney has been associated with the Adviser in an investment management capacity since September 2008 and began managing the Fund in October 2008. Prior to September 2008, Mr. Schaney served as Global Head of Fixed Income at Credit Suisse Asset Management (October 2003 to April 2007) and, prior to that, as Head of Leveraged Finance at BlackRock, Inc. (January 1998 to October 2003).

Revised Investment Policy (unaudited)

The Board of Directors approved changes/classifications in the investment policies discussed below:

A portion of the Fund s investments in emerging markets securities may include investments in microfinance loans. Microfinance loans are typically very small loans (microcredit) made for providing the means for people who are not served by traditional banking systems to expand their business or finance their families basic needs by providing access to affordable credit. Microfinance loans carry many of the same risks associated with investing in emerging markets countries, but because some of the microfinance loans may be used to fund crop growing and livestock, microfinance loans may also be subject to climate and geography risks. In addition, most micro-clients have low income and little or no previous credit history. As a result, there is no assurance that micro-credit clients will be able to repay the microfinance loans.

Morgan Stanley Global Opportunity Bond Fund, Inc.

December 31, 2008

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of
Morgan Stanley Global Opportunity Bond Fund, Inc.

We have audited the accompanying statement of assets and liabilities of Morgan Stanley Global Opportunity Bond Fund, Inc. (the Fund), including the portfolio of investments, as of December 31, 2008, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund s management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Fund s internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2008, by correspondence with the custodian and brokers. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Morgan Stanley Global Opportunity Bond Fund, Inc. at December 31, 2008, the results of its operations and cash flows for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Boston, Massachusetts
February 24, 2009

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Morgan Stanley Global Opportunity Bond Fund, Inc.

December 31, 2008

Dividend Reinvestment and Cash Purchase Plan (unaudited)

Pursuant to the Dividend Reinvestment and Cash Purchase Plan (the Plan), each stockholder will be deemed to have elected, unless Computershare Trust Company, N.A. (the Plan Agent) is otherwise instructed by the stockholder in writing, to have all distributions automatically reinvested in Fund shares. Participants in the Plan have the option of making additional voluntary cash payments to the Plan Agent, quarterly, in any amount from $100 to $3,000, for investment in Fund shares.

Dividend and capital gain distributions will be reinvested on the reinvestment date in full and fractional shares. If the market price per share equals or exceeds net asset value per share on the reinvestment date, the Fund will issue shares to participants at net asset value or, if net asset value is less than 95% of the market price on the reinvestment date, shares will be issued at 95% of the market price. If net asset value exceeds the market price on the reinvestment date, participants will receive shares valued at market price. The Fund may purchase shares of its Common Stock in the open market in connection with dividend reinvestment requirements at the discretion of the Board of Directors. Should the Fund declare a dividend or capital gain distribution payable only in cash, the Plan Agent will purchase Fund shares for participants in the open market as agent for the participants.

The Plan Agent s fees for the reinvestment of dividends and distributions will be paid by the Fund. However, each participant s account will be charged a pro rata share of brokerage commissions incurred on any open market purchases effected on such participant s behalf. A participant will also pay brokerage commissions incurred on purchases made by voluntary cash payments. Although stockholders in the Plan may receive no cash distributions, participation in the Plan will not relieve participants of any income tax which may be payable on such dividends or distributions.

In the case of stockholders, such as banks, brokers or nominees, that hold shares for others who are the beneficial owners, the Plan Agent will administer the Plan on the basis of the number of shares certified from time to time by the stockholder as representing the total amount registered in the stockholder s name and held for the account of beneficial owners who are participating in the Plan.

Stockholders who do not wish to have distributions automatically reinvested should notify the Plan Agent in writing. There is no penalty for non-participation or withdrawal from the Plan, and stockholders who have previously withdrawn from the Plan may rejoin at any time. Requests for additional information or any correspondence concerning the Plan should be directed to the Plan Agent at:

Morgan Stanley Global Opportunity Bond Fund, Inc.
Computershare Trust Company, N.A.
P.O. Box 43078
Providence, Rhode Island 02940-3078
1(800) 231-2608

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Explanation of Responses:

Morgan Stanley Global Opportunity Bond Fund, Inc.

December 31, 2008

Morgan Stanley Institutional Closed End Funds
An Important Notice Concerning Our
U.S. Privacy Policy (unaudited)

We are required by federal law to provide you with a copy of our Privacy Policy annually.

The following Policy applies to current and former individual investors in Morgan Stanley Institutional closed end funds. This Policy is not applicable to partnerships, corporations, trusts or other non-individual clients or account holders. Please note that we may amend this Policy at any time, and will inform you of any changes to this Policy as required by law.

We Respect Your Privacy

We appreciate that you have provided us with your personal financial information. We strive to maintain the privacy of such information while we help you achieve your financial objectives. This Policy describes what non-public personal information we collect about you, why we collect it, and when we may share it with others. We hope this Policy will help you understand how we collect and share non-public personal information that we gather about you. Throughout this Policy, we refer to the non-public information that personally identifies you or your accounts as personal information.

1. What Personal Information Do We Collect About You?

To serve you better and manage our business, it is important that we collect and maintain accurate information about you. We may obtain this information from applications and other forms you submit to us, from your dealings with us, from consumer reporting agencies, from our Web sites and from third parties and other sources.

For example:

- We may collect information such as your name, address, e-mail address, telephone/fax numbers, assets, income and investment objectives through applications and other forms you submit to us.

- We may obtain information about account balances, your use of account(s) and the types of products and services you prefer to receive from us through your dealings and transactions with us and other sources.

- We may obtain information about your creditworthiness and credit history from consumer reporting agencies.

- We may collect background information from and through third-party vendors to verify representations you have made and to comply with various regulatory requirements.

- If you interact with us through our public and private Web sites, we may collect information that you provide directly through online communications (such as an e-mail address). We may also collect information about your Internet service provider, your domain name, your computer s operating system and Web browser, your use of our Web sites and your product and service preferences, through the use of cookies. Cookies recognize your computer each time you return to one of our sites, and help to improve our sites content and personalize your experience on our sites by, for example, suggesting offerings that may interest you. Please consult the Terms of Use of these sites for more details on our use of cookies.

2. When Do We Disclose Personal Information We Collect About You?

To provide you with the products and services you request, to serve you better and to manage our business, we may disclose personal information we collect about you to our affiliated companies and to non-affiliated third parties as required or permitted by law.

A. Information We Disclose to Our Affiliated Companies. We do not disclose personal information that we collect about you to our affiliated companies except to enable them to provide services on our behalf or as otherwise required or permitted by law.

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Morgan Stanley Institutional Closed End Funds
An Important Notice Concerning Our U.S. Privacy Policy (cont   d)

B. Information We Disclose to Third Parties. We do not disclose personal information that we collect about you to non-affiliated third parties except to enable them to provide services on our behalf, to perform joint marketing agreements with other financial institutions, or as otherwise required or permitted by law. For example, some instances where we may disclose information about you to nonaffiliated third parties include: for servicing and processing transactions, to offer our own products and services, to protect against fraud, for institutional risk control, to respond to judicial process or to perform services on our behalf. When we share personal information with these companies, they are required to limit their use of personal information to the particular purpose for which it was shared and they are not allowed to share personal information with others except to fulfill that limited purpose.

3. How Do We Protect the Security and Confidentiality of Personal Information We Collect About You?

We maintain physical, electronic and procedural security measures to help safeguard the personal information we collect about you. We have internal policies governing the proper handling of client information. Third parties that provide support or marketing services on our behalf may also receive personal information, and we require them to adhere to confidentiality standards with respect to such information.

Morgan Stanley Global Opportunity Bond Fund, Inc.

December 31, 2008

Director and Officer Information (unaudited)

Independent Directors:

Name, Age and Address of Independent Director	Position(s) Held with Registrant	Length of Time Served*	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Independent Director**	Other Directorships Held by Independent Directors
Frank L. Bowman (64) c/o Kramer Levin Naftalis & Frankel LLP Counsel to the Independent Trustees 1177 Avenue of the Americas New York, NY 10036	Director	Since August 2006	President, Strategic Decisions, LLC (consulting) (since February 2009); Director or Trustee of various Retail Funds and Institutional Funds (since August 2006); Chairperson of the Insurance Sub-Committee of the Insurance, Valuation and Compliance Committee (since February 2007); served as President and Chief Executive Officer of the Nuclear Institute (policy organization) through November 2008; retired as Admiral in the U.S. Navy in January 2005 after serving over 8 years as Director of the Naval Nuclear Propulsion Program and Deputy Administrator Naval Reactors in the National Nuclear Security Administration at the U.S. Department of Energy (1996-2004). Knighted as Honary Knight Commander of the Most Excellent Order of the British Empire; awarded the Officer de l Orde National du Mérite by the French Government.	161	Director of the Armed Services YMCA of the USA; member, BP America External Advisory Council (energy); member, National Academy of Engineers.
Michael Bozic (68) c/o Kramer Levin Naftalis & Frankel LLP Counsel to the Independent Directors 1177 Avenue of the Americas New York, NY 10036	Director	Since April 1994	Private investor; Chairperson of the Insurance, Valuation and Compliance Committee (since October 2006); Director or Trustee of the Retail Funds (since April 1994) and Institutional Funds (since July 2003); formerly, Chairperson of the Insurance Committee (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.	163	Director of various business organizations.
Kathleen A. Dennis (55) c/o Kramer Levin Naftalis & Frankel LLP Counsel to the Independent Directors	Director	Since August 2006	President, Cedarwood Associates (mutual fund and investment management) (since July 2006); Chairperson of the Money Market and Alternatives Sub-Committee of the Investment Committee (since October 2006) and Director or Trustee of various	161	Director of various non-profit organizations.

1177 Avenue of the Americas New York, NY 10036	Retail Funds and Institutional Funds (since August 2006); formerly, Senior Managing Director of Victory Capital Management (1993-2006).

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Morgan Stanley Global Opportunity Bond Fund, Inc.

December 31, 2008

Director and Officer Information (cont d)

Independent Directors (cont d):

Name, Age and Address of Independent Director	Position(s) Held with Registrant	Length of Time Served*	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Independent Director**	Other Directorships Held by Independent Directors
Dr. Manuel H. Johnson (60) c/o Johnson Smick Group, Inc. 888 16th Street, N.W. Suite 740 Washington, D.C. 20006	Director	Since July 1991	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 Institutional Funds (since July 2003); Co-Chairman and a founder of the Group of Seven Council (G7C) (international economic commission); formerly, Chairperson 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.	163	Director of NVR, Inc. (home construction); Director of Evergreen Energy.
Joseph J. Kearns (66) c/o Kearns & Associates LLC PMB754 23852 Pacific Coast Highway Malibu, CA 90265	Director	Since August 1994	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 Institutional Funds (since August 1994); formerly Deputy Chairperson of the Audit Committee (July 2003-September 2006) and Chairperson of the Audit Committee of the Institutional Funds (October 2001-July 2003); formerly, CFO of the J. Paul Getty Trust.	164	Director of Electro Rent Corporation (equipment leasing) and The Ford Family Foundation.
Michael F. Klein (50) c/o Kramer Levin Naftalis & Frankel LLP Counsel to the Independent Directors 1177 Avenue of the Americas New York, NY 10036	Director	Since August 2006	Chief Operating Officer and Managing Director, Aetos Capital, LLC (since March 2000) and Co-President, Aetos Alternatives Management, LLC (since January 2004); Chairperson of the Fixed Income Sub-Committee of the Investment Committee (since October 2006) and Director or Trustee of various Retail Funds 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).	161	Director of certain investment funds managed or sponsored by Aetos Capital LLC; Director of Sanitized AG and Sanitized Marketing AG (specialty chemicals).
Michael E. Nugent (72) c/o Triumph Capital, L.P.	Chairperson of the	Chairperson of the	General Partner, Triumph Capital, L.P. (private investment partnership); Chairman of the Boards of	163	None.

445 Park Avenue New York, NY 10022	Board and Director	Boards since July 2006 and Director since July 1991	the Retail Funds and Institutional Funds (since July 2006); Director or Trustee of the Retail Funds (since July 1991) and Institutional Funds (since July 2001); formerly, Chairperson of the Insurance Committee (until July 2006).

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Morgan Stanley Global Opportunity Bond Fund, Inc.

December 31, 2008

Director and Officer Information (cont d)

Independent Directors (cont d):

Name, Age and Address of Independent Director	Position(s) Held with Registrant	Length of Time Served*	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Independent Director**	Other Directorships Held by Independent Directors
W. Allen Reed (61) c/o Kramer Levin Naftalis & Frankel LLP Counsel to the Independent Directors 1177 Avenue of the Americas New York, NY 10036	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 (July 1994-December 2005).	161	Director of Temple-Inland Industries (packaging and forest products); Director of Legg Mason, Inc. and Director of the Auburn University Foundation.
Fergus Reid (76) c/o Lumelite Plastics Corporation 85 Charles Coleman Blvd. Pawling, NY 12564	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 Institutional Funds (since June 1992).	164	Trustee and Director of certain investment companies in the JPMorgan Funds complex managed by JP Morgan Investment Management Inc.

Interested Directors:

Name, Age and Address of Interested Director	Position(s) Held with Registrant	Term of Office and Length of Time Served*	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Interested Director**	Other Directorships Held by Interested Director
James F. Higgins (61) c/o Morgan Stanley Trust Harborside Financial Center Plaza Two Jersey City, NJ 07311	Director	Since June 2000	Director or Trustee of the Retail Funds (since June 2000) and Institutional Funds (since July 2003); Senior Advisor of Morgan Stanley (since August 2000).	162	Director of AXA Financial, Inc. and The Equitable Life Assurance Society of the United States (financial services).

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

** The Fund Complex includes all funds advised by Morgan Stanley Investment Management Inc. (MSIM) that have an investment advisor that is an affiliated entity of MSIM (including but not limited to, Morgan Stanley Investment Advisors Inc. (MSIA) and Morgan Stanley AIP GP LP). The Retail Funds are those funds advised by MSIA. The Institutional Funds are certain U.S. registered funds advised by MSIM and Morgan Stanley AIP GP LP.

For the period September 26, 2008 through February 5, 2009 W. Allen Reed was an interested Director. At all other times covered by this report, Mr. Reed was an Independent Director.

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Morgan Stanley Global Opportunity Bond Fund, Inc.

December 31, 2008

Director and Officer Information (cont d)

Executive Officers:

Name, Age and Address of Executive Officer	Position(s) Held with Registrant	Term of Office and Length of Time Served*	Principal Occupation(s) During Past 5 Years
Randy Takian (34) Morgan Stanley Investment Management Inc. 522 Fifth Avenue New York, NY 10036	President and Principal Executive Officer	Since September 2008	President and Principal Executive Officer (since September 2008) of funds in the Fund Complex; President and Chief Executive Officer of Morgan Stanley Services Company Inc. (since September 2008). President of Morgan Stanley Investment Advisors Inc. (since July 2008). Head of the Retail and Intermediary business within Morgan Stanley Investment Management (since July 2008). Head of Liquidity and Bank Trust business (since July 2008) and the Latin American franchise (since July 2008) at Morgan Stanley Investment Management. Managing Director, Director and/or Officer of the Adviser and various entities affiliated with the Adviser. Formerly, Head of Strategy and Product Development for the Alternatives Group and Senior Loan Investment Management. Formerly with Bank of America (July 1996-March 2006), most recently as Head of the Strategy, Mergers and Acquisitions team for Global Wealth and Investment Management.
Kevin Klingert (46) Morgan Stanley Investment Management Inc. 522 Fifth Avenue New York, NY 10036	Vice President	Since June 2008	Global Head, Chief Operating Officer and acting Chief Investment Officer of the Global Fixed Income Group of the Adviser and Morgan Stanley Investment Advisors Inc. (since April 2008). Head of Global Liquidity Portfolio Management and co-Head of Liquidity Credit Research of Morgan Stanley Investment Management (since December 2007). Managing Director of the Adviser and Morgan Stanley Investment Advisors Inc. (since December 2007). Previously, Managing Director on the Management Committee and head of Municipal Portfolio Management and Liquidity at BlackRock (October 1991 to January 2007).
Amy R. Doberman (46) Morgan Stanley Investment Management Inc. 522 Fifth Avenue New York, NY 10036	Vice President	Since July 2004	Managing Director of Morgan Stanley Investment Management (since July 2004); Vice President of the Retail Funds and Institutional Funds (since July 2004); Vice President of the Van Kampen Funds (since August 2004); Secretary (since February 2006) and Managing Director (since July 2004) of the Adviser and various entities affiliated with the Adviser. Formerly, Managing Director and General Counsel Americas, UBS Global Asset Management (July 2000-July 2004).
Carsten Otto (45) Morgan Stanley Investment Management Inc. 522 Fifth Avenue New York, NY 10036	Chief Compliance Officer	Since October 2004	Managing Director and Global Head of Compliance for Morgan Stanley Investment Management (since April 2007) and Chief Compliance Officer of the Retail Funds and Institutional Funds (since October 2004). Formerly, U.S. Director of Compliance (October 2004-April 2007) and Assistant Secretary and Assistant General Counsel of the Retail Funds.
Stefanie V. Chang Yu (42) Morgan Stanley Investment Management Inc. 522 Fifth Avenue	Vice President	Since December 1997	Managing Director of the Adviser and various entities affiliated with the Adviser; Vice President of the Retail Funds (since July 2002) and Institutional Funds (since December 1997).

New York, NY 10036			Formerly, Secretary of various entities affiliated with the Adviser.
Mary E. Mullin (41) Morgan Stanley Investment Management Inc. 522 Fifth Avenue New York, NY 10036	Secretary	Since June 1999	Executive Director of the Adviser and various entities affiliated with the Adviser; Secretary of the Retail Funds (since July 2003) and Institutional Funds (since June 1999).

Morgan Stanley Global Opportunity Bond Fund, Inc.

December 31, 2008

Director and Officer Information (cont d)

Executive Officers (cont d):

Name, Age and Address of Executive Officer	Position(s) Held with Registrant	Term of Office and Length of Time Served*	Principal Occupation(s) During Past 5 Years
James W. Garrett (40) Morgan Stanley Investment Management Inc. 522 Fifth Avenue New York, NY 10036	Treasurer and Chief Financial Officer	Treasurer since February 2002 and Chief Financial Officer since July 2003	Head of Global Fund Administration; Managing Director of the Adviser and various entities affiliated with the Adviser; Treasurer and Chief Financial Officer of the Institutional Funds.

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

In accordance with Section 303A. 12(a) of the New York Stock Exchange Listed Company Manual, the Fund s Annual CEO Certification certifying as to compliance with NYSE s Corporate Governance Listing Standards was submitted to the Exchange on October 3, 2008.

The Fund s Principal Executive Officer and Principal Financial Officer Certifications required by Section 302 of the Sarbanes-Oxley Act of 2002 were filed with the Fund s N-CSR and are available on the Securities and Exchange Commission s Website at http://www.sec.gov.

Morgan Stanley Global Opportunity Bond Fund, Inc.

Directors
Michael E. Nugent

Frank L. Bowman

Michael Bozic

Kathleen A. Dennis

James F. Higgins

Dr. Manuel H. Johnson

Joseph J. Kearns

Michael F. Klein

W. Allen Reed

Fergus Reid

Officers
Michael E. Nugent
Chairman of the Board and Director

Randy Takian
President and Principal Executive Officer

Kevin Klingert
Vice President

Amy R. Doberman
Vice President

Stefanie V. Chang Yu
Vice President

James W. Garrett
Treasurer and Chief Financial Officer

Carsten Otto
Chief Compliance Officer

Mary E. Mullin
Secretary

Investment Adviser and Administrator
Morgan Stanley Investment Management Inc.
522 Fifth Avenue
New York, New York 10036

Custodian
JPMorgan Chase Bank, N.A.
270 Park Avenue
New York, New York 10017

Stockholder Servicing Agent
Computershare Trust Company, N.A.
250 Royall Street
Canton, Massachusetts 02021

Legal Counsel
Clifford Chance US LLP
31 West 52nd Street
New York, New York 10019-6131

Independent Registered Public Accounting Firm
Ernst & Young LLP
200 Clarendon Street
Boston, Massachusetts 02116

For additional Fund information, including the Fund s net asset value per share and information regarding the investments comprising the Fund s portfolio, please call 1(800) 231-2608 or visit our website at www.morganstanley.com/msim. All investments involve risks, including the possible loss of principal.

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PART C--OTHER INFORMATION

Item 15. Indemnification

The response to this item is included in Exhibits 1 and 2 under Item 16 below.

Section 2-418 of the Maryland General Corporation Law, Article SEVENTH of the Fund s Charter, Article VII of the Fund s Amended and Restated Bylaws, the Investment Advisory and Management Agreement and the Administration Agreement provide for the indemnification of directors and officers of the Fund to the maximum extent permitted by Maryland Law, subject to the requirements of the Investment Company Act of 1940, as amended (the 1940 Act).

Maryland law permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from (a) actual receipt of an improper benefit or profit in money, property or services or (b) active and deliberate dishonesty established by a final judgment and which is material to the cause of action. The Fund s Charter contains such a provision which eliminates directors and officers liability to the maximum extent permitted by Maryland law, subject to the requirements of the 1940 Act.

Item 16. Exhibits

1) Articles of Incorporation, are incorporated herein by reference to Exhibit 1 to Registrant s Registration Statement on Form N-14 8C, filed on July 17, 2009.

2) Amended and Restated By-Laws dated July 31, 2003, are incorporated herein by reference to Exhibit (b) to Amendment No. 9 to the Registration Statement on Form N-2 filed on August 28, 2003.

3) Not applicable.

4) Copy of Agreement and Plan of Reorganization (filed herewith as Exhibit A to the Proxy Statement and Prospectus).

5) Not applicable.

6) Investment Advisory and Management Agreement, is incorporated herein by reference to Exhibit 6 to Registrant s Registration Statement on Form N-14 8C, filed on July 17, 2009.

7) Not applicable.

8) Not applicable.

9) (a) Global Custody Agreement, is incorporated by reference to Exhibit 9(a) to Registrant s Registration Statement on Form N-14 8C, filed on July 17, 2009.

(b) Amendment dated May 4, 2007 to the Global Custody Agreement, is incorporated by reference to Exhibit 9(b) to Registrant s Registration Statement on Form N-14 8C, filed on July 17, 2009.

(c) Amendment dated June 26, 2008 to the Global Custody Agreement, is incorporated by reference to Exhibit 9(c) to Registrant s Registration Statement on Form N-14 8C, filed on July 17, 2009.

10) Dividend Reinvestment and Cash Purchase Plan, is incorporated by reference to Exhibit 10 to Registrant s Registration Statement on Form N-14 8C, filed on July 17, 2009.

11) (a) Opinion and Consent of Dechert LLP, is filed herewith.

(b) Opinion of Ballard Spahr LLP, is filed herewith.

12) Form of opinion of Dechert LLP (as to tax matters), is filed herewith.

13) (a) Amended and Restated Administration Agreement, is incorporated by reference to Exhibit 13(a) to Registrant s Registration Statement on Form N-14 8C, filed on July 17, 2009.

(b) Transfer Agency and Service Agreement, is incorporated by reference to Exhibit 13(b) to Registrant s Registration Statement on Form N-14 8C, filed on July 17, 2009.

(c) Amendment dated April 24, 2009 to the Transfer Agency and Service Agreement, is incorporated by reference to Exhibit 13(c) to Registrant s Registration Statement on Form N-14 8C, filed on July 17, 2009.

14) Consent of Independent Registered Public Accounting Firm, is filed herewith.

15) Not applicable.

16) Powers of Attorney of Directors dated June 19, 2009, are incorporated by reference to Exhibit 16 to Registrant s Registration Statement on Form N-14 8C, filed on July 17, 2009.

17) Form of Proxy, is filed herewith.

SIGNATURES

As required by the Securities Act of 1933, this registration statement has been signed on behalf of the registrant, in the City of New York and State of New York on the 22nd day of September 2009.

MORGAN STANLEY EMERGING MARKETS DEBT FUND, INC.

By: /s/ Randy Takian
Randy Takian
President and Principal Executive Officer

As required by the Securities Act of 1933, this registration statement has been signed below by the following persons in the capacities and on the dates indicated.

Signature		Title		Date
(1) Principal Executive Officer		President and Principal Executive Officer		September 22, 2009
/s/ Randy Takian				
Randy Takian				
(2) Principal Financial Officer		Treasurer and Chief Financial Officer		September 22, 2009
/s/ James Garrett				
James Garrett				
(3) Majority of the Directors				
INDEPENDENT DIRECTORS				
Frank L. Bowman				
Michael Bozic				
Kathleen A. Dennis				
Manuel H. Johnson				
Joseph J. Kearns				
Michael F. Klein				
Michael E. Nugent				
W. Allen Reed				
Fergus Reid				
/s/ Carl Frischling				September 22, 2009
By: Carl Frischling				
Attorney-In-Fact for the				
Independent Directors				
INTERESTED DIRECTOR				
James F. Higgins				
/s/ Stefanie V. Chang Yu				September 22, 2009
By: Stefanie V. Chang Yu				
Attorney-In-Fact for the				
Interested Director				

EXHIBIT INDEX

11) (a)	Opinion and Consent of Dechert LLP.
11) (b)	Opinion of Ballard Spahr LLP.
12)	Form of opinion of Dechert LLP (as to tax matters).
14)	Consent of Independent Registered Public Accounting Firm.
17)	Form of Proxy