

Release Date: 12-31-2018

# Morgan Stanley VIF Global Strategist Portfolio — Class II

## Investment Strategy from investment's prospectus

The investment seeks total return. The fund seeks to achieve total return by investing in a blend of equity and fixed income securities of U.S. and non-U.S. issuers. The fund may invest in real estate investment trusts ("REITs") and mortgage-related or mortgage-backed securities. It may also invest in restricted and illiquid securities. The fund may invest a portion of its assets in below "investment grade" fixed income securities and repurchase agreements.

Past name: Morgan Stanley UIF Global Strategist II.

## Category Description: Tactical Allocation

Tactical Allocation portfolios seek to provide capital appreciation and income by actively shifting allocations between asset classes. These portfolios have material shifts across equity regions, and bond sectors on a frequent basis. To qualify for the Tactical Allocation category, the fund must first meet the requirements to be considered in an allocation category. Next, the fund must historically demonstrate material shifts within the primary asset classes either through a gradual shift over three years or through a series of material shifts on a quarterly basis. The cumulative asset class exposure changes must exceed 10% over the measurement period.

## Operations

Fund Inception Date	03-15-11
Initial Share Class Inception Date	01-02-97
Advisor	Morgan Stanley Investment Management, Inc.
Subadvisor	—

## Fees and Expenses as of 04-30-18

Gross Prospectus Expense Ratio	1.68%
Net Prospectus Expense Ratio	1.01%

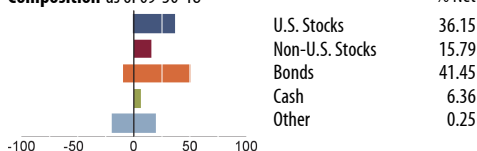
Waiver Data	Type	Exp.Date	%
Expense Ratio	Contractual	04-30-19	0.67

## Portfolio Manager(s)

Mark A. Bavoso. B.A., University of California Davis, 1983. Since 2010.  
 Cyril Moull-Berteaux. B.A., Harvard University. Since 2011.

## Portfolio Analysis as of 09-30-18

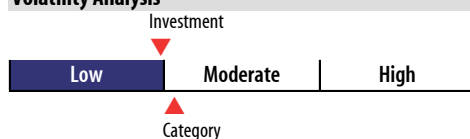
### Composition as of 09-30-18



### Top 20 Holdings as of 09-30-18

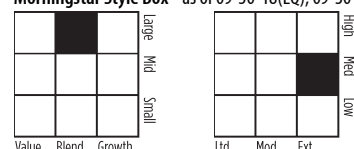
Security	% Assets
Ms Universal Inst. Fund Gbl Strat Cayman Port Ltd	9.26
S+p500 Emini Fut Dec18 Xcme 20181221 12-21-18	6.55
United States Treasury Notes 0.5% 01-15-28	6.01
1264432 Trs Usd P V 03mlibor li2786500180122 Equitytrs 01-24-19	5.75
1264432 Trs Usd R E li2798950180122 Equitytrs	5.71
1264566 Trs Usd R E li0712170180206 Equitytrs	4.36
1264566 Trs Usd P V 03mlibor li0710030180206 Equitytrs 02-08-19	4.20
Us 10yr Ultra Fut Dec18 Xcvt 20181219 12-19-18	3.19
Us 2yr Note (Cbt) Dec18 Xcvt 20181231 12-31-18	2.59
SPDR S&P 500 ETF	2.44
Euro-Bund Future Dec18 Xeur 20181206 12-06-18	2.27
Euro Stoxx 50 Dec18 Xeur 20181221 12-21-18	2.22
Us 5yr Note (Cbt) Dec18 Xcvt 20181231 12-31-18	2.20
Euro-Btp Future Dec18 Xeur 20181206 12-06-18	1.56
Japan(Govt Of) 1.1% 1.1% 06-20-21	1.49
Us Ultra Bond Cbt Dec18 Xcvt 20181219 12-19-18	1.34
Msci Emgmt Dec18 Ifus 20181221 12-21-18	1.22
Japan (10 Year Issue) Sr Unsecured 09/24 0.5 09-20-24	1.11
Euro-Bobl Future Dec18 Xeur 20181206 12-06-18	0.99
1265127 Trs Usd R V 03mlibor li7119350180614 Equitytrs 06-14-19	0.98
Total Number of Stock Holdings	834
Total Number of Bond Holdings	222
Annual Turnover Ratio %	99.00
Total Fund Assets (\$mil)	104.69

## Volatility Analysis



In the past, this investment has shown a relatively small range of fluctuations relative to other investments. Based on this measure, currently more than two thirds of all investments have shown higher levels of risk. Consequently, this investment may appeal to investors looking for a conservative investment strategy.

## Morningstar Style Box™ as of 09-30-18(EQ); 09-30-18(F-I)



## Statistics as of 09-30-18

Statistic	Stk Port Avg	S&P 500	Category
P/E Ratio	15.81	14.35	15.42
P/B Ratio	2.46	2.73	2.47
P/C Ratio	7.66	11.79	9.02
GeoAvgCap(\$mil)	87,481.03	93,688.30	50,766.05

## Risk Measures as of 12-31-18

Metric	Port Avg	S&P 500	Category
3 Yr Std Dev	6.99	10.95	8.15
3 Yr Sharpe Ratio	0.51	0.76	0.36
3 Yr Alpha	-1.42	—	-2.31
3 Yr Beta	1.04	—	1.05
3 Yr R-squared	89.47	—	68.31

## Morningstar Sectors as of 09-30-18

Sector	%Fund	S&P 500 %
Cyclical	40.17	32.63
Basic Materials	4.41	2.56
Consumer Cyclical	9.52	11.82
Financial Services	24.68	15.83
Real Estate	1.56	2.42
Sensitive	34.98	40.71
Communication Services	3.43	3.58
Energy	6.97	5.32
Industrials	10.03	9.92
Technology	14.55	21.89
Defensive	24.85	26.65
Consumer Defensive	8.41	7.85
Healthcare	14.39	15.46
Utilities	2.05	3.34

## Notes

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