

Release Date: 12-31-2018

# Morgan Stanley VIF Emerging Markets Debt Portfolio — Class II

## Investment Strategy from investment's prospectus

The investment seeks high total return. The fund invests at least 80% of the fund's assets in debt securities of issuers located in emerging market or developing countries. It may invest, to a lesser extent, in securities denominated in currencies other than U.S. dollars. The fund may invest in fixed income securities that are rated below "investment grade" or are not rated, but are of equivalent quality. It may, but it is not required to, use derivative instruments for a variety of purposes, including hedging, risk management, portfolio management or to earn income. The fund is non-diversified.

Past name: Morgan Stanley UIF Emerg Mkts Debt II.

## Category Description: Emerging Markets Bond

Emerging-markets bond portfolios invest more than 65% of their assets in foreign bonds from developing countries. The largest portion of the emerging-markets bond market comes from Latin America, followed by Eastern Europe, Africa, the Middle East, and Asia make up the rest.

## Operations

Fund Inception Date	12-19-02
Initial Share Class Inception Date	06-16-97
Advisor	Morgan Stanley Investment Management, Inc.
Subadvisor	—

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

Gross Prospectus Expense Ratio	1.36%
Net Prospectus Expense Ratio	1.16%

## Waiver Data

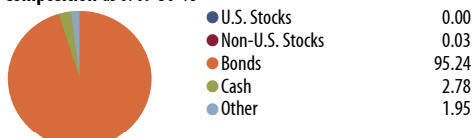
Waiver Data	Type	Exp.Date	%
USA12B1	Contractual	04-30-19	0.20

## Portfolio Manager(s)

Eric J. Baummeister, CFA. Since 2002.  
 Warren Mar. B.A., University of Auckland. Since 2014.

## Portfolio Analysis as of 09-30-18

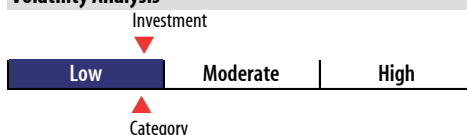
### Composition as of 09-30-18



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

Top 20 Holdings	% Assets
Russian Federation Sr Unsecured Regs 04/22 4.5 04-04-22	3.48
Sinopec Group Overseas Development 2013 Ltd. 4.38% 10-17-23	2.62
Indonesia (Republic of) 5.88% 01-15-24	2.37
Turkey (Republic of) 5.62% 03-30-21	2.21
Ukraine Government Sr Unsecured Regs 09/23 7.75 09-01-23	2.15
Philippines (Republic Of) 9.5% 02-02-30	1.91
JSC National Company KazMunayGas 6.38% 10-24-48	1.87
Petroleos de Venezuela SA 6% 11-15-26	1.79
Petroleos Mexicanos 6.38% 01-23-45	1.67
Hungary (Republic Of) 7.62% 03-29-41	1.66
Eskom Holdings SOC Limited 7.12% 02-11-25	1.61
Indonesia (Republic of) 4.12% 01-15-25	1.51
Indonesia (Republic of) 7.75% 01-17-38	1.41
Republic of South Africa 5.88% 09-16-25	1.36
Mexico (United Mexican States) 4.6% 01-23-46	1.23
Brazil (Federative Republic) 5% 01-27-45	1.21
Democratic Socialist Republic of Sri Lanka 6.75% 04-18-28	1.21
Ukraine Government Sr Unsecured Regs 09/26 7.75 09-01-26	1.17
Petroleos Mexicanos 6.5% 03-13-27	1.14
Petroleos Mexicanos 6.5% 06-02-41	1.14
Total Number of Stock Holdings	1
Total Number of Bond Holdings	137
Annual Turnover Ratio %	46.00
Total Fund Assets (\$mil)	185.35

## 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

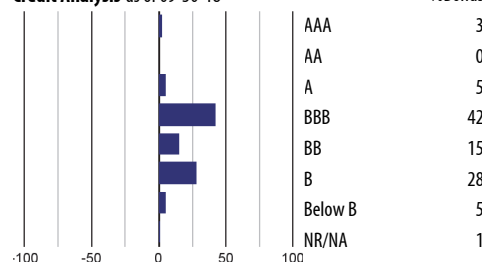


Risk Measures as of 12-31-18	Port Avg	BC Aggr	Category
3 Yr Std Dev	6.26	2.88	6.15
3 Yr Sharpe Ratio	0.48	0.34	0.67
3 Yr Alpha	1.82	—	3.04
3 Yr Beta	1.28	—	0.99
3 Yr R-squared	34.13	—	23.64

## Morningstar Sectors as of 09-30-18

Morningstar Sectors	%Fund	%Category
Government	80.22	66.43
Corporate	16.94	21.11
Securitized	0.00	0.21
Municipal	0.00	0.05
Cash and Equivalents	2.84	9.46
Other	0.00	2.74

## Credit Analysis as of 09-30-18



## Notes

This material is authorized for client use only when preceded or accompanied by a Disclosure Statement, a product prospectus, a fund prospectus and/or informational brochure containing more complete information. These can be obtained from your investment professional and should be read carefully before investing or sending money.

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