

Release Date: 12-31-2018

Morgan Stanley VIF Global Real Estate Portfolio — Class II

Investment Strategy from investment's prospectus

The investment seeks to provide current income and capital appreciation. Under normal circumstances, at least 80% of the fund's assets will be invested in equity securities of companies in the real estate industry, including real estate operating companies ("REOCs"), real estate investment trusts ("REITs") and similar entities established outside the United States ("foreign real estate companies"). The fund will invest primarily in companies located in the developed countries of North America, Europe and Asia, but may also invest in emerging markets.

Past name: Morgan Stanley UIF Global Real Estate II.

Category Description: Global Real Estate

Global real estate portfolios invest primarily in non-U.S. real estate securities, but may also invest in U.S. real estate securities. Securities that these portfolios purchase include: debt and equity securities, convertible securities, and securities issued by Real Estate Investment Trusts (REITs) and REIT-like entities. Portfolios in this category also invest in real-estate operating companies.

Operations

Fund Inception Date	04-28-06
Initial Share Class Inception Date	04-28-06
Advisor	Morgan Stanley Investment Management, Inc.
Subadvisor	Morgan Stanley Investment Management Co Morgan Stanley Investment Management Ltd

Fees and Expenses as of 04-30-18

Gross Prospectus Expense Ratio	1.64%
Net Prospectus Expense Ratio	1.25%

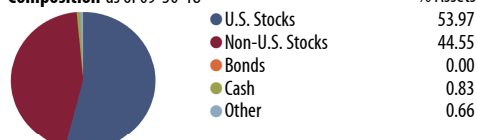
Waiver Data	Type	Exp.Date	%
Expense Ratio	Contractual	07-18-19	0.39

Portfolio Manager(s)

Michiel te Paske. M.S., Maastricht University. Since 2006.
 Sven Van Kemenade. Ph.D., University of Limburg, 1999. M.S., Maastricht University. Since 2006.

Portfolio Analysis as of 09-30-18

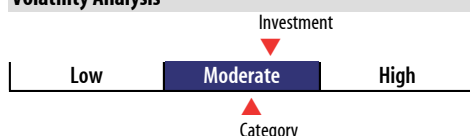
Composition as of 09-30-18



Top 20 Holdings as of 09-30-18

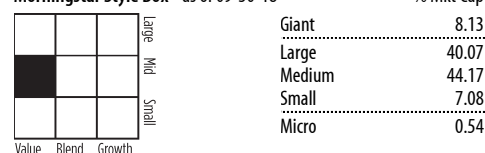
Company	% Assets
Simon Property Group Inc	6.40
Boston Properties Inc	3.43
SL Green Realty Corp	3.38
Prologis Inc	3.11
AvalonBay Communities Inc	2.69
Host Hotels & Resorts Inc	2.21
Vornado Realty Trust	2.19
Sun Hung Kai Properties Ltd	2.18
Link Real Estate Investment Trust	2.11
Unibail-Rodamco-Westfield	1.96
Klipperre	1.90
Mitsui Fudosan Co Ltd	1.86
Mitsubishi Estate Co Ltd	1.78
Regency Centers Corp	1.73
Equity Residential	1.71
Macerich Co	1.58
Hongkong Land Holdings Ltd	1.55
Paramount Group Inc	1.46
Land Securities Group PLC	1.40
RLJ Lodging Trust	1.39
Total Number of Stock Holdings	155
Total Number of Bond Holdings	—
Annual Turnover Ratio %	34.00
Total Fund Assets (\$mil)	66.83

Volatility Analysis



In the past, this investment has shown a relatively moderate range of price fluctuations relative to other investments. This investment may experience larger or smaller price declines or price increases depending on market conditions. Some of this risk may be offset by owning other investments with different portfolio makeups or investment strategies.

Morningstar Style Box™ as of 09-30-18



Statistics as of 09-30-18

Statistic	Stk Port Avg	S&P 500	Category
P/E Ratio	21.07	14.35	16.29
P/B Ratio	1.23	2.73	1.24
P/C Ratio	11.63	11.79	9.85
GeoAvgCap(\$mil)	11,333.03	93,688.30	10,018.16

Risk Measures as of 12-31-18

Metric	Port Avg	S&P 500	Category
3 Yr Std Dev	11.35	10.95	11.14
3 Yr Sharpe Ratio	0.07	0.76	0.21
3 Yr Alpha	-3.93	—	-2.28
3 Yr Beta	0.80	—	0.79
3 Yr R-squared	57.08	—	57.04

Morningstar Sectors as of 09-30-18

Sector	%Fund	S&P 500 %
Cyclical	99.97	32.63
Basic Materials	0.00	2.56
Consumer Cyclical	0.05	11.82
Financial Services	0.00	15.83
Real Estate	99.92	2.42
Sensitive	0.00	40.71
Communication Services	0.00	3.58
Energy	0.00	5.32
Industrials	0.00	9.92
Technology	0.00	21.89
Defensive	0.02	26.65
Consumer Defensive	0.00	7.85
Healthcare	0.02	15.46
Utilities	0.00	3.34

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.

NOT A DEPOSIT — NOT FDIC INSURED — NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY — NOT GUARANTEED BY THE INSTITUTION — MAY GO DOWN IN VALUE