

Morgan Stanley

Global Strategist Portfolio

The Fund is intended to be a funding vehicle for variable annuity contracts and variable life insurance policies offered by the separate accounts of certain life insurance companies.

Table of Contents

Consolidated Expense Example	2
Investment Overview.....	3
Consolidated Portfolio of Investments	8
Consolidated Statement of Assets and Liabilities.....	32
Consolidated Statement of Operations	33
Consolidated Statements of Changes in Net Assets.....	34
Consolidated Financial Highlights.....	35
Notes to Consolidated Financial Statements	37
Report of Independent Registered Public Accounting Firm	50
Federal Tax Notice.....	51
Director and Officer Information	52

Consolidated Expense Example (unaudited)

Global Strategist Portfolio

As a shareholder of the Global Strategist Portfolio (the “Fund”), you incur two types of costs: (1) insurance company charges; and (2) ongoing costs, which may include advisory fees, administration fees, distribution (12b-1) fees and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

This example is based on an investment of \$1,000 invested at the beginning of the six-month period ended December 31, 2018 and held for the entire six-month period.

Actual Expenses

The table below provides information about actual account values and actual expenses. You may use the information in this table, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the table under the heading entitled “Actual Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The table below provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any insurance company charges. Therefore, the table below is useful in comparing ongoing costs, but will not help you determine the relative total cost of owning different funds. In addition, if these insurance company charges were included, your costs would have been higher.

	Beginning Account Value 7/1/18	Actual Ending Account Value 12/31/18	Hypothetical Ending Account Value	Actual Expenses Paid During Period*	Hypothetical Expenses Paid During Period*	Net Expense Ratio During Period**
Global Strategist Portfolio Class I	\$1,000.00	\$947.70	\$1,020.72	\$4.37	\$4.53	0.89%
Global Strategist Portfolio Class II	1,000.00	946.30	1,020.21	4.86	5.04	0.99

* Expenses are calculated using each Fund Class’ annualized net expense ratio (as disclosed), multiplied by the average account value over the period and multiplied by 184/365 (to reflect the most recent one-half year period).

** Annualized.

Investment Overview (unaudited)

Global Strategist Portfolio

The Fund seeks total return.

Performance

For the fiscal year ended December 31, 2018, the Fund's Class I shares had a total return based on net asset value and reinvestment of distributions per share of -6.50% , net of fees, and -6.65% , net of fees, for Class II shares. The Fund's Class I and Class II shares outperformed the Fund's benchmark, the MSCI All Country World Index (the "Index"), which returned -9.41% , and underperformed the Customized MSIM Global Allocation Index (the "Customized Index"), which returned -6.00% . The Fund and benchmark index performance is in U.S. dollar ("USD") terms.

Factors Affecting Performance* (i)

- Global equities fell -7.7% during 2018, the worst annual return since 2008 and the first negative full-year return since 2011 (as measured by the Index net total returns in local currency), amid declining central bank liquidity and slowing global growth. After a negative first quarter in which markets were weighed down by rising rates and inflation as well as increasing protectionism, global equities steadily rallied during the second and third quarters, propelled by strong U.S. earnings and economic growth. Global equities sold off again sharply in the fourth quarter (-12.5% as measured by the Index net total returns in local currency) on renewed concerns over rising rates and geopolitical tensions (Brexit, Italy and U.S.-China trade wars), now combined with slowing growth data in the U.S. and China.
- All equity regions had negative performance for the year. Despite the sharp (nearly -20%) sell-off in the fourth quarter, the U.S. was still the regional leader for the full year (-4.4% , S&P 500 Index, total return). A strong late-cycle economy combined with tax cuts helped 2018 U.S. earnings per share growth to surprise positively, growing $+23\%$ year-over-year. And yet stock prices fell by -6% (S&P 500 Index price return; or -4.4% on a total return basis including dividends), because trailing price-earnings (P/E) multiples compressed by -24% .⁽ⁱⁱ⁾ Multiple compression was driven by slowing growth, an increasingly hawkish Federal Reserve (Fed) for most of the year, and fears of peaking stimulus and earnings amid rising protectionism. Eurozone equities fell -12% (Euro Stoxx 50 Index in euros), hurt by last year's currency strength, political uncertainty in Italy, Brexit, persistently disappointing economic data and the end of the European Central Bank's (ECB) quantitative easing program in December. Emerging market (EM) equities fell -14.6% in USD and -10.1% in local currency in 2018 (MSCI Emerging Markets Index). EM equities initially rose in the first quarter when the USD weakened, then fell sharply in the second and third quarters, coming under immense pressure from Fed rate hikes, USD strength and a brewing trade war between the U.S. and China. They held up relatively well in the fourth quarter despite evidence of slowing Chinese growth, having already underperformed developed markets by -14% in the first three quarters of the year (MSCI indices, in USD). Japanese equities were the laggards for 2018 (-17.6% TOPIX Index in yen). Japan equity markets fell during the first half of 2018 on concerns over withdrawal of monetary stimulus by the Bank of Japan as well as trade frictions with the U.S. They temporarily rebounded in the third quarter amid strong economic data (second quarter gross domestic product growth $+3\%$ quarter-over-quarter annualized⁽ⁱⁱⁱ⁾), improving corporate earnings, yen weakness (-2.6% in the third quarter) and easing concerns around trade talks, but then were weighed down again in the fourth quarter by yen strength ($+3.7\%$ in fourth quarter) amid risk-off flows.
- Global bonds were up slightly on a total return basis in local currency terms 2018 (JP Morgan Global Government Bond Index, $+1\%$), but fell -0.7% in USD terms (also total return). However, U.S. Treasury yields rose during the year in response to strong fiscal stimulus-driven growth and signals from the Fed and ECB — until late in the year — that monetary policy would continue to tighten. The Fed delivered four rate hikes during the year and revised upward its projected path of rates. The U.S. 10-year yield rose during the first three quarters by $+66$ basis points (bps) to 3.06% , then retraced half of this in the fourth quarter, ending the year back down at 2.68% — the lowest level since January 2018, amid a flight to quality assets and signals of a more dovish Fed in response to weakening economic data. The U.S. 2-year

* Certain of the Fund's investment themes may, in whole or part, be implemented through the use of derivatives, including the purchase and sale of futures, options, swaps, structured investments (including commodity-linked notes) and other related instruments and techniques. The Fund may also invest in foreign currency forward exchange contracts, which are also derivatives, in connection with its investments in foreign securities. The Fund may use derivative instruments for a variety of purposes, including hedging, risk management, portfolio management or to earn income. As a result, the use of derivatives had a material effect on the Fund's performance during the period.

⁽ⁱ⁾ Source: Morgan Stanley Investment Management (MSIM) Global Multi-Asset Team analysis; market data sourced from Bloomberg.

⁽ⁱⁱ⁾ Source: MSIM Global Multi Asset Team analysis; IBES Pro Forma EPS as of January 9, 2019. Actual/trailing 2018 EPS rose by $+22.6\%$, while trailing P/E multiples contracted by 23.5% , and the market fell -6.3% ($1.23 \times 0.76 = 0.94$).

⁽ⁱⁱⁱ⁾ MSIM Global Multi Asset Team analysis; Bloomberg.

Investment Overview (unaudited) (cont'd)

Global Strategist Portfolio

Treasury yield rose +60 bps during the year to 2.49%, flattening the 2-year to 10-year yield curve to just 20 bps. The flattening yield curve caused concern among many market participants, as yield curve inversion has historically been a precursor to recession. Safe Haven German bond yields fell (German 10-year bund yield -19 bps for the year), on weaker economic data in the region and risk-off flows in response to political uncertainty in Italy and concerns around the fallout from Brexit. Italian yields spiked up 73 bps to 2.74%. Most risky spreads widened, with U.S. high yield particularly hard hit in the fourth quarter when spreads increased by 210 bps to end the year at 5.26% (Bloomberg Barclays U.S. High Yield Index option-adjusted spreads, +183 bps for the full year). Emerging market external bond spreads widened 124 bps during the year, as currency devaluations in the second and third quarters stoked higher inflation, prompting many central banks to hike rates amid slowing growth (JP Morgan EMBI Global Index, USD).

- The U.S. dollar rose 4.4% in 2018, pushed up by increasing interest rate differentials relative to most trading partners as well as investor flight to safe-haven assets amid an intensifying trade war between the U.S. and China. In emerging markets, Fed rate hikes, appreciation in the U.S. dollar and concerns over trade protectionism tipped the most vulnerable EM economies, such as those with large current account deficits like Argentina and Turkey, into crisis, and caused contagion to spread more broadly in EM in the second and third quarters of the year. Many EM currencies sold off sharply, and although some losses were mitigated in the fourth quarter, for the full year the JP Morgan Emerging Market Currency Index was down -10.7%. The Argentine peso (-51%) was the worst performing currency despite securing a financing deal from the International Monetary Fund aimed at stemming foreign exchange weakness. The Turkish lira fell -28% as investors grew concerned over President Erdogan's increasingly authoritarian control over monetary policy, confrontations with the U.S. and the potential for lack of fiscal discipline under his leadership following his electoral win. The Brazilian real fell -17% on concerns over lack of political will to implement fiscal reforms and a truckers strike over rising fuel prices which disrupted economic activity. The contagion spread to South Africa and Russia, where currencies fell roughly -14% and 17%, respectively. One notable exception was the Mexican peso, which ended the year flat, helped in part by a relief rally on reduced uncertainty after Andres Manuel Lopez Obrador, known as AMLO, won the presidential election, and the U.S. and

Mexico agreed on a revised trade deal (the U.S.-Mexico-Canada-Agreement) to replace the North American Free Trade Agreement, which left many of the original agreement's key provisions intact. The Japanese yen was the only major currency to strengthen versus the U.S. dollar (+2.8%) as a result of safe-haven inflows.

- Commodities fell -13.8% in 2018 (S&P GSCI Total Return Index in USD), driven by oil and industrial commodities falling -20% (Brent, copper). During the first three quarters of the year, oil rose nearly 16% on strong global growth, Venezuela's production collapse, U.S. sanctions on Iranian oil and bottlenecks in U.S. shale. However during the fourth quarter, Brent oil fell by -35% amid falling demand forecasts and oversupply concerns, as Saudi Arabia and Russia agreed to raise production and the U.S. announced waivers for importers of sanctioned Iranian oil. The price of copper fell throughout the year on trade-war fears, weakening Chinese data and the stronger dollar.
- The Fund's asset allocation mix of average underweights in cash and commodities, a neutral position in equities and an average overweight in fixed income had a positive impact on performance.
- Active positions within equities detracted from performance. Contributors during the period included underweight positions in Chinese equities (H-shares) and in luxury goods and global machinery stocks, all relative to global equities. In addition, an overweight position in U.S. volatility (beta hedged) and an underweight position in emerging market equities relative to developed market equities also contributed to performance. These gains were offset by losses from overweight positions in U.S. consumer finance stocks relative to U.S. equities and Japanese equities relative to U.S. equities. In addition, our underweight positions in U.S. cyclical vs. U.S. defensive equities, in Australian banks relative to developed market banks and global equities, and in Canadian banks relative to global equities all detracted from performance.
- Active positions within fixed income contributed to performance. Contributors included directional overweight positions in Brazilian 3-year bonds, U.S. 10-year and 30-year Treasuries and Argentine 1-year USD bonds. Detractors during the period included overweight positions in U.S. 10-year TIPS (Treasury inflation-protected securities), South African 10-year bonds and Argentine 10-year bonds.

Investment Overview (unaudited) (cont'd)

Global Strategist Portfolio

- Active positions within commodities (implemented via commodity futures) had a positive impact on performance, as an underweight position in copper and an overweight position in gold both contributed.
- Active currency positions (implemented via currency forwards and futures) negatively impacted performance. Underweight positions in the euro and in the Australian dollar, both relative to the U.S. dollar, contributed to performance. These gains were offset by losses from an underweight position in the Japanese yen relative to the U.S. dollar, and overweight positions in the Swedish krona relative to the euro, the Turkish lira and the Argentine peso (with the latter two both relative to emerging market currencies).

Management Strategies^(iv)

- As of December 31, 2018, the Fund's allocation was approximately 62% global equities, 56% global fixed income (50% in U.S. 10-year Treasury duration-equivalent exposure), 1% commodities and –19% cash.
- Going into 2019, we expect global growth to slow, led down by the U.S. and China, and are neutral global equities, modestly overweight bonds (primarily in U.S. Treasuries and TIPS), and underweight cyclical vs. defensive equities. As U.S. growth slows and converges with the rest of the world, we favor non-U.S. assets (equities, currencies) and are overweight gold. We are bearish on China-sensitive assets.
- After a 2018 in which the era of “Free Money” came to an end as the Fed raised the price of money from zero, contributing to massive underperformance of equity markets relative to the real economy and profits, we expect a pause in the Fed's rate hiking cycle, a modest rebound in risky assets and a stabilization in equity market multiples in the first half of the year. By the second half, we expect the focus will shift from equity multiple compression (following 2018's –24% compression in U.S. P/E multiples) to earnings growth disappointments as a likely 2020 recession approaches.
- We are neutral global equities, despite slightly oversold conditions and cheap valuations (12.9x forward earnings are 6-7% cheap to our measure of fair value), given a deteriorating growth/inflation trade-off and falling profits.^(vi) We expect global gross domestic product growth to slow from the 2017 peak of 3.5% (and the current 2.9% pace) to 2.4% in the next 12 months, dragged down by the U.S. and China, while the rest of the world

stabilizes.^(vi) We expect modestly higher inflation globally, with U.S. core inflation rising +20 bps to 2.1% by end-2019.^(vi) Europe and Japan core inflation will likely rise by a similar magnitude, albeit from lower levels (1% and 0.4%, respectively), and inflation in EM will remain mixed (low and stable in China and Brazil; rising in Europe, Middle East Africa; falling in Argentina and Turkey).

- We believe U.S. exceptionalism is coming to an end. In the last decade, better growth, more generous policy and beneficial stock market composition (e.g. more tech/internet and less banks/commodities) helped U.S. equities outperform global equities by 150%^(vii), resulting in U.S. stocks trading at a 40% premium to the rest of the world and the U.S. dollar trading 7% above its long-term average real effective exchange rate. But the winners of one decade are rarely the winners of the next, and we expect that the U.S. will “catch down” to the rest of the world, with U.S. economic growth slowing from 3.25% over the last three quarters to a 1.5% pace (similar to Europe and below emerging markets ex-China at 3-3.5%) by the end of 2019 as fiscal stimulus ends, financial conditions tighten and the strong dollar impacts net trade. We are underweight U.S. equities relative to the rest of the world and underweight the dollar versus G-10 currencies and emerging currencies.
- We believe China bumpy landing risks are underappreciated and underpriced by markets. Chinese growth slowed over the last two to three quarters, and we expect this to continue as policy is constrained by existing economic imbalances. Investors are confident in the Chinese government's ability to achieve its policy objectives based on the success of this framework in 2008-09, 2011-12 and 2015-16. But because of the irreconcilability of China's multiple policy objectives (growth above 6-6.5%, a stable currency, contained financial risks/leverage and no housing bubble), the government's easing campaign, which started in July 2018, has been much more modest than the prior three easing cycles. In addition, the effectiveness of policy easing is likely to be much reduced compared to prior episodes, given China's current debt levels (private non-financial

^(vi) Source: Morgan Stanley Investment Management (MSIM) Global Multi-Asset Team analysis; market data sourced from Bloomberg; consensus estimates sourced from Thomson Reuters I/B/E/S.

^(vii) Source: MSIM Global Multi Asset Team analysis; IBES.

^(viii) Source: MSIM Global Multi Asset Team estimates.

^(ix) Global and U.S. equities are represented by the MSCI All Country World Index (USD) and the S&P 500 Total Return Index (USD), respectively.

Investment Overview (unaudited) (cont'd)

Global Strategist Portfolio

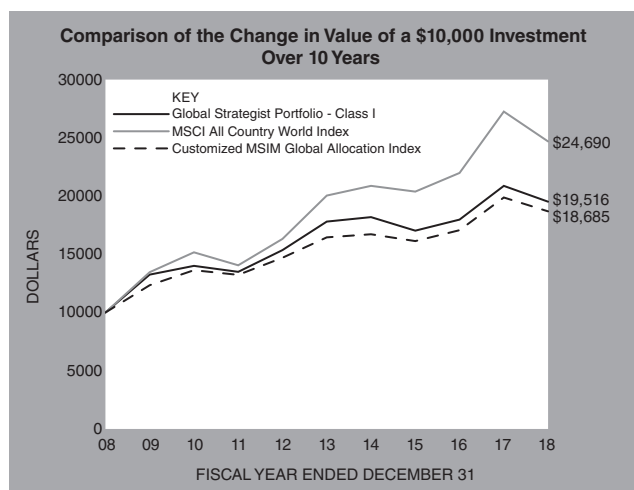
debt of 206%, greater than any emerging and most developed countries).^(ix) Eventually, Chinese policymakers will need to ease more aggressively, but we believe this will occur after a deeper and longer slowdown than most expect. As a result, we are maintaining a cautious stance on Chinese stocks, the renminbi and developed market stocks most sensitive to Chinese growth and the currency, such as luxury goods and elevator stocks. In emerging markets ex-China, we expect growth to rebound as Brazil, South Africa, Turkey and Argentina stabilize or exit recessions.

- In fixed income, we are modestly overweight U.S. Treasuries, given our expectation for slowing growth and a Fed pause. Treasuries are slightly cheap to fair value based on our model: U.S. 10-year yields, at 2.72%, are above fair value of 2.51% today and expected fair value of 2.36% by year-end 2019. Investor sentiment is neutral — having recently moved out of extreme oversold levels.
- In commodities, we are overweight gold (and gold mining stocks), which tends to outperform when real rates fall and the U.S. dollar weakens. Real rates are +50 bps, and an extended Fed pause could cause markets to begin to price in the possibility of a return to zero or even negative real rates. This would be very supportive of further upside for gold, particularly after a deep and multi-year bear market. In addition, a weaker dollar helps gold, as it typically means miners' costs are higher and global demand is stronger. We also expect supply-side dynamics to be supportive of the gold price over the next five years, as mine supply declines from multiple years of underinvestment.

^(ix) Source: MSIM Global Multi Asset Team analysis; Bank for International Settlements.

Investment Overview (unaudited) (cont'd)

Global Strategist Portfolio



In accordance with SEC regulations, the Fund's performance shown assumes that all recurring fees (including management fees) were deducted and all dividends and distributions were reinvested. The performance of Class II shares will vary from the performance of Class I shares based upon its different inception date and will be negatively impacted by additional fees assessed to that class.

Performance Compared to the MSCI All Country World Index⁽¹⁾ and the Customized MSIM Global Allocation Index⁽²⁾

	Period Ended December 31, 2018			
	Total Returns ⁽³⁾			
	Average Annual			
	One Year	Five Years	Ten Years	Since Inception ⁽⁶⁾
Fund – Class I ⁽⁴⁾	-6.50%	1.85%	6.92%	3.68%
MSCI All Country World Index	-9.41	4.26	9.46	5.74
Customized MSIM Global Allocation Index	-6.00	2.58	6.45	N/A
Fund – Class II ⁽⁵⁾	-6.65	1.72	—	4.17
MSCI All Country World Index	-9.41	4.26	—	6.58
Customized MSIM Global Allocation Index	-6.00	2.58	—	4.14

Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. Performance assumes that all dividends and distributions, if any, were reinvested. For the most recent month-end performance figures, please contact the issuing insurance company or speak with your financial advisor. Investment return and principal value will fluctuate so that Fund shares, when redeemed, may be worth more or less than their original cost. Total returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Performance shown does not reflect fees and expenses imposed by your insurance company's separate account. If performance information included the effect of these additional charges, the total returns would be lower.

⁽¹⁾ The MSCI All Country World Index is a free float-adjusted market capitalization weighted index designed to measure the equity market performance of developed and emerging markets. The term "free float" represents the portion of shares outstanding that are deemed to be available for purchase in the public equity markets by investors. The performance of the Index is listed in U.S. dollars and assumes reinvestment of net dividends. "Net dividends" reflects a reduction in dividends after taking into account withholding of taxes by any foreign countries represented in the Index. Returns, including periods prior to January 1, 2001, are calculated using the return data of the MSCI All Country World Index (gross dividends) through December 31, 2000 and the return data of the MSCI All Country World Index (net dividends) after December 31, 2000. The Index is unmanaged and its returns do not include any sales charges or fees. Such costs would lower performance. It is not possible to invest directly in an index.

⁽²⁾ The Customized MSIM Global Allocation Index is a performance linked benchmark comprised of 60% MSCI All Country World Index and 40% Bloomberg Barclays Global Aggregate Index for periods after May 31, 2017. Prior to May 31, 2017, the Customized MSIM Global Allocation Index consisted of 60% MSCI All Country World Index (benchmark that measures the equity market performance of developed and emerging markets), 30% Bloomberg Barclays Global Aggregate Index (benchmark that provides a broadbased measure of the global investment grade fixed-rate debt markets), 5% S&P GSCI Light Energy Index (benchmark for investment performance in the energy commodity market) and 5% ICE BofAML U.S. Dollar 1-Month LIBID Average Index (benchmark that tracks the performance of a basket of synthetic assets paying LIBID to a stated maturity). The Customized MSIM Global Allocation Index was added as the Fund benchmark on October 2, 2013 and is provided for comparative purposes only. The Index is unmanaged and its returns do not include any sales charges or fees. Such costs would lower performance. It is not possible to invest directly in an index.

⁽³⁾ Total returns for the Fund reflect fees waived and expenses reimbursed, if applicable, by Morgan Stanley Investment Management Inc. (the "Adviser"). Without such waivers and reimbursements, total returns would have been lower.

⁽⁴⁾ Commenced operations on January 2, 1997.

⁽⁵⁾ Commenced offering on March 15, 2011.

⁽⁶⁾ For comparative purposes, average annual since inception returns listed for the Indexes refer to the inception date or initial offering of the respective share class of the Fund, not the inception of the Index.

Consolidated Portfolio of Investments

Global Strategist Portfolio

	Face Amount (000)	Value (000)
Fixed Income Securities (55.4%)		
Agency Adjustable Rate Mortgage (0.1%)		
United States (0.1%)		
Federal Home Loan Mortgage Corporation, Conventional Pool: 12 Month USD LIBOR + 1.62%, 2.48%, 7/1/45 (Cost \$70)	\$ 68	\$ 68
Agency Fixed Rate Mortgages (2.9%)		
United States (2.9%)		
Federal Home Loan Mortgage Corporation, Gold Pools: 3.50%, 2/1/45 - 6/1/45	423	425
January TBA: 3.50%, 1/1/49 (a)	600	600
Federal National Mortgage Association, Conventional Pools: 3.00%, 5/1/30 - 6/1/30	100	100
4.00%, 11/1/41 - 1/1/46	422	433
4.50%, 3/1/41 - 11/1/44	228	237
5.00%, 1/1/41 - 3/1/41	90	95
6.00%, 1/1/38	16	17
6.50%, 8/1/38	4	4
January TBA: 3.00%, 1/1/49 (a)	220	214
3.50%, 1/1/49 (a)	386	386
4.00%, 1/1/49 (a)	350	357
4.50%, 1/1/49 (a)	100	104
Government National Mortgage Association, Various Pool: 4.00%, 7/15/44	55	57
Total Agency Fixed Rate Mortgages (Cost \$3,063)		3,029
Asset-Backed Securities (0.4%)		
United States (0.4%)		
Louisiana Public Facilities Authority 3 Month USD LIBOR + 0.90%, 3.39%, 4/26/27 (b)	37	37
New Century Home Equity Loan Trust 1 Month USD LIBOR + 1.35%, 3.86%, 3/25/33 (b)	73	73
North Carolina State Education Assistance Authority 3 Month USD LIBOR + 0.80%, 3.29%, 7/25/25 (b)	34	35
NovaStar Mortgage Funding Trust 1 Month USD LIBOR + 1.58%, 4.08%, 12/25/34 (b)	75	76
Renaissance Home Equity Loan Trust 1 Month USD LIBOR + 0.76%, 3.27%, 12/25/32 (b)	85	84
United Auto Credit Securitization Trust 4.26%, 5/10/23 (c)	100	100
Total Asset-Backed Securities (Cost \$403)		405

	Face Amount (000)	Value (000)
Commercial Mortgage-Backed Securities (0.8%)		
United States (0.8%)		
COMM Mortgage Trust, 3.28%, 1/10/46	\$ 45	\$ 45
3.96%, 3/10/47	144	148
4.73%, 7/15/47 (b)(c)	100	92
Commercial Mortgage Pass-Through Certificates, 4.24%, 2/10/47 (b)	77	80
UBS-Barclays Commercial Mortgage Trust, 3.53%, 5/10/63	40	40
WFCG Commercial Mortgage Trust, 1 Month USD LIBOR + 3.14%, 5.60%, 11/15/29 (b)(c)	137	136
WFRBS Commercial Mortgage Trust, 3.99%, 10/15/57 (b)(c)	144	127
5.04%, 9/15/46 (b)(c)	140	131
Total Commercial Mortgage-Backed Securities (Cost \$802)		799
Corporate Bonds (15.0%)		
Australia (0.5%)		
Australia & New Zealand Banking Group Ltd., 5.13%, 9/10/19	EUR 100	118
Macquarie Bank Ltd., 6.63%, 4/7/21 (c)	\$ 85	90
Macquarie Group Ltd., 4.15%, 3/27/24 (c)	50	50
Transurban Finance Co., Pty Ltd., 4.13%, 2/2/26 (c)	70	69
Woolworths Group Ltd., 4.00%, 9/22/20 (c)	150	151
		478
Belgium (0.1%)		
Anheuser-Busch Cos. LLC / Anheuser-Busch InBev Worldwide, Inc., 3.65%, 2/1/26 (c)	100	95
Canada (0.8%)		
Goldcorp, Inc., 3.70%, 3/15/23	73	73
Province of Alberta Canada, 1.75%, 8/26/20	260	256
Province of British Columbia Canada, 2.00%, 10/23/22	260	253
Royal Bank of Canada, 2.75%, 2/1/22	250	246
		828
Chile (0.2%)		
Banco del Estado de Chile, 2.67%, 1/8/21 (c)	200	196
China (0.4%)		
Baidu, Inc., 2.88%, 7/6/22	200	194
Syngenta Finance N.V., 4.44%, 4/24/23 (c)	200	193
		387

Consolidated Portfolio of Investments (cont'd)

Global Strategist Portfolio

	Face Amount (000)	Value (000)		Face Amount (000)	Value (000)
Corporate Bonds (cont'd)					
Colombia (0.2%)					
Ecopetrol SA, 5.88%, 9/18/23	\$ 230	\$ 240			
France (1.1%)					
Air Liquide Finance SA, 1.75%, 9/27/21 (c)	200	191			
Banque Federative du Credit Mutuel SA, 2.00%, 9/19/19	EUR 200	233			
BNP Paribas SA, 3.80%, 1/10/24 (c)	\$ 200	195			
5.00%, 1/15/21	85	88			
BPCE SA, 5.15%, 7/21/24 (c)	200	201			
Electricite de France SA, 5.00%, 1/22/26 (d)	EUR 100	112			
TOTAL SA, 3.88%, 5/18/22 (d)	100	122			
		1,142			
Germany (1.1%)					
Bayer US Finance II LLC, 3.88%, 12/15/23 (c)	\$ 200	197			
BMW US Capital LLC, 2.15%, 4/6/20 (c)	200	198			
Deutsche Bank AG, 2.70%, 7/13/20	225	219			
Deutsche Telekom International Finance BV, 3.60%, 1/19/27 (c)	150	142			
Muenchener Rueckversicherungs-Gesellschaft AG in Muenchen, 6.00%, 5/26/41	EUR 100	128			
Siemens Financieringsmaatschappij N.V., 2.15%, 5/27/20 (c)	\$ 250	246			
		1,130			
India (0.2%)					
ONGC Videsh Vankorneft Pte Ltd., 3.75%, 7/27/26	200	186			
Israel (0.1%)					
Teva Pharmaceutical Finance Netherlands III BV, 2.20%, 7/21/21	120	110			
Italy (0.2%)					
FCA Bank SpA, 1.38%, 4/17/20	EUR 100	116			
Intesa Sanpaolo SpA, 6.50%, 2/24/21 (c)	\$ 100	102			
Telecom Italia Finance SA, 7.75%, 1/24/33	EUR 30	43			
		261			
Japan (0.2%)					
Takeda Pharmaceutical Co. Ltd., 5.00%, 11/26/28 (c)	\$ 200	205			
Korea, Republic of (0.2%)					
Korea Hydro & Nuclear Power Co., Ltd., 3.75%, 7/25/23 (c)	\$ 200	\$ 202			
Malaysia (0.2%)					
Petronas Capital Ltd., 3.50%, 3/18/25 (c)	200	197			
Netherlands (0.4%)					
ABN AMRO Bank N.V., 2.88%, 6/30/25	EUR 100	118			
Cooperatieve Rabobank UA, 3.88%, 2/8/22	\$ 50	51			
Series G 3.75%, 11/9/20	EUR 50	61			
ING Bank N.V., 5.80%, 9/25/23 (c)	\$ 200	209			
		439			
Spain (0.4%)					
Banco Santander SA, 5.18%, 11/19/25	200	199			
Telefonica Emisiones SA, 4.71%, 1/20/20	EUR 200	241			
		440			
Sweden (0.2%)					
Skandinaviska Enskilda Banken AB, 2.30%, 3/11/20	\$ 250	247			
Switzerland (0.2%)					
ABB Treasury Center USA, Inc., 4.00%, 6/15/21 (c)	50	51			
UBS Group Funding Switzerland AG, 3.49%, 5/23/23 (c)	200	195			
		246			
United Arab Emirates (0.2%)					
ADCB Finance Cayman Ltd., 4.00%, 3/29/23 (c)	200	197			
United Kingdom (1.6%)					
BP Capital Markets PLC, 2.50%, 11/6/22	100	97			
Heathrow Funding Ltd., 4.88%, 7/15/23 (c)	100	103			
HSBC Holdings PLC, 4.25%, 3/14/24	200	199			
Lloyds Bank PLC, 6.50%, 3/24/20	EUR 200	244			
Lloyds Banking Group PLC, 4.55%, 8/16/28	\$ 200	193			
Nationwide Building Society, 3.77%, 3/8/24 (c)	200	193			
NGG Finance PLC, 5.63%, 6/18/73	GBP 100	135			
Royal Bank of Scotland Group PLC, 3.88%, 9/12/23	\$ 200	192			
Standard Chartered PLC, 2.10%, 8/19/19 (c)	225	223			
Vodafone Group PLC, 4.38%, 5/30/28	125	121			
		1,700			

Consolidated Portfolio of Investments (cont'd)

Global Strategist Portfolio

	Face Amount (000)	Value (000)		Face Amount (000)	Value (000)
Corporate Bonds (cont'd)					
United States (6.5%)					
Abbott Laboratories, 3.40%, 11/30/23	\$ 35	\$ 35	Goldman Sachs Group, Inc. (The), 2.30%, 12/13/19	\$ 80	\$ 79
Air Lease Corp., 2.13%, 1/15/20	150	148	6.75%, 10/1/37	125	141
Amazon.com, Inc., 2.80%, 8/22/24	150	146	Home Depot, Inc. (The), 5.88%, 12/16/36	50	60
American Express Credit Corp., MTN 2.20%, 3/3/20	125	124	HSBC USA, Inc., 3.50%, 6/23/24	100	98
3.30%, 5/3/27	125	122	JPMorgan Chase & Co., 2.25%, 1/23/20	200	198
American International Group, Inc., 4.88%, 6/1/22	50	52	3.78%, 2/1/28	100	97
Apple, Inc., 2.50%, 2/9/22	200	197	Keurig Dr Pepper, Inc., 4.06%, 5/25/23 (c)	125	125
AT&T, Inc., 4.25%, 3/1/27	100	98	McDonald's Corp., MTN 3.38%, 5/26/25	100	98
4.50%, 3/9/48	45	39	Medtronic, Inc., 3.63%, 3/15/24	100	101
5.15%, 2/15/50	50	46	Merck & Co., Inc., 2.80%, 5/18/23	100	99
AvalonBay Communities, Inc., Series G 2.95%, 9/15/22	50	49	Metropolitan Life Global Funding I, 2.40%, 1/8/21 (c)	200	197
Bank of America Corp., 4.24%, 4/24/38	100	95	Microsoft Corp., 1.55%, 8/8/21	200	194
MTN 4.00%, 1/22/25	175	171	NBC Universal Media LLC, 4.38%, 4/1/21	130	133
Capital One NA, 1.85%, 9/13/19	250	247	NextEra Energy Capital Holdings, Inc., 3.55%, 5/1/27	125	119
Charter Communications Operating LLC/Charter Communications Operating Capital, 4.91%, 7/23/25	25	25	Oracle Corp., 3.40%, 7/8/24	75	75
6.48%, 10/23/45	50	52	PepsiCo, Inc., 3.60%, 3/1/24	100	102
Cigna Corp., 3.75%, 7/15/23 (c)	100	100	Prologis Euro Finance LLC, 1.88%, 1/5/29	EUR 100	114
Citigroup, Inc., 5.50%, 9/13/25	75	79	Rockwell Collins, Inc., 1.95%, 7/15/19	\$ 100	99
8.13%, 7/15/39	75	104	salesforce.com, Inc., 3.25%, 4/11/23	100	101
Coca-Cola Co. (The), 3.20%, 11/1/23	100	100	Starbucks Corp., 3.80%, 8/15/25	100	99
Constellation Brands, Inc., 4.40%, 11/15/25	75	75	Stryker Corp., 2.63%, 11/30/30	EUR 100	118
CVS Health Corp., 3.70%, 3/9/23	200	198	Synchrony Bank, 3.65%, 5/24/21	\$ 250	245
Discover Bank, 3.10%, 6/4/20	255	253	Thermo Fisher Scientific, Inc., 2.95%, 9/19/26	100	92
Dollar Tree, Inc., 3.70%, 5/15/23	75	74	Union Pacific Corp., 3.95%, 9/10/28	50	50
Dow Chemical Co. (The), 4.55%, 11/30/25 (c)	125	127	UnitedHealth Group, Inc., 2.88%, 3/15/23	100	99
Duke Energy Corp., 1.80%, 9/1/21	100	96	Verizon Communications, Inc., 4.67%, 3/15/55	82	76
Five Corners Funding Trust, 4.42%, 11/15/23 (c)	200	206	Visa, Inc., 3.15%, 12/14/25	75	74
Ford Motor Credit Co., LLC, 2.68%, 1/9/20	200	197	Walmart, Inc., 2.55%, 4/11/23	50	49
General Motors Financial Co., Inc., 2.35%, 10/4/19	75	74	Wells Fargo & Co., 3.00%, 10/23/26	325	301
					6,762
			Total Corporate Bonds (Cost \$16,044)		15,688

Consolidated Portfolio of Investments (cont'd)

Global Strategist Portfolio

	Face Amount (000)	Value (000)
Mortgages — Other (0.4%)		
United States (0.4%)		
Federal Home Loan Mortgage Corporation, 3.00%, 9/25/45 - 7/25/46	\$ 194	\$ 188
3.50%, 5/25/45 - 7/25/46	247	245
4.00%, 5/25/45	23	23
Total Mortgages — Other (Cost \$469)		456
Sovereign (26.3%)		
Argentina (2.6%)		
Argentine Republic Government International Bond, 5.88%, 1/11/28	949	686
6.25%, 4/22/19	2,035	2,056
		2,742
Australia (1.1%)		
Australia Government Bond, 2.75%, 11/21/27	AUD 1,553	1,134
Austria (0.3%)		
Republic of Austria Government Bond, 4.15%, 3/15/37 (c)	EUR 160	279
Belgium (0.8%)		
Kingdom of Belgium Government Bond, 0.80%, 6/22/27 (c)	450	523
1.90%, 6/22/38 (c)	240	293
		816
Canada (1.3%)		
Canadian Government Bond, 1.00%, 6/1/27	CAD 530	360
1.50%, 6/1/26	1,360	966
		1,326
China (0.3%)		
Sinopec Group Overseas Development 2013 Ltd., 2.63%, 10/17/20	EUR 130	155
Sinopec Group Overseas Development 2015 Ltd., 2.50%, 4/28/20 (c)	\$ 200	198
		353
Denmark (0.1%)		
Denmark Government Bond, 0.50%, 11/15/27	DKK 670	105
France (1.2%)		
French Republic Government Bond OAT, 1.00%, 5/25/27	EUR 250	298
1.75%, 5/25/23	450	559
2.00%, 5/25/48 (c)	160	199
3.25%, 5/25/45	160	252
		1,308
Germany (0.9%)		
Bundesrepublik Deutschland Bundesanleihe, 0.50%, 2/15/28	90	106
4.25%, 7/4/39	320	617
4.75%, 7/4/34	90	168
		891

	Face Amount (000)	Value (000)
Greece (2.1%)		
Hellenic Republic Government Bond, 3.75%, 1/30/28	EUR 2,017	\$ 2,209
Hungary (0.1%)		
Hungary Government International Bond, 5.75%, 11/22/23	\$ 130	141
Indonesia (0.4%)		
Indonesia Government International Bond, 5.88%, 1/15/24	200	214
Indonesia Treasury Bond, 6.13%, 5/15/28	IDR1,220,000	75
8.25%, 5/15/29	1,280,000	91
		380
Italy (1.5%)		
Italy Buoni Poliennali Del Tesoro, 1.45%, 9/15/22	EUR 360	413
2.20%, 6/1/27	250	280
3.75%, 9/1/24	560	700
5.00%, 9/1/40 (c)	130	183
		1,576
Japan (7.2%)		
Japan Government Ten Year Bond, 0.10%, 6/20/26	JPY 119,000	1,105
0.50%, 9/20/24	169,000	1,599
1.10%, 6/20/21	226,000	2,125
Japan Government Thirty Year Bond, 0.30%, 6/20/46	65,000	536
1.70%, 6/20/33	99,000	1,090
2.00%, 9/20/40	95,000	1,121
		7,576
Malaysia (0.1%)		
Malaysia Government Bond, 3.96%, 9/15/25	MYR 600	145
Mexico (0.3%)		
Mexican Bonos, Series M 7.50%, 6/3/27	MXN 5,000	237
Petroleos Mexicanos, 4.88%, 1/18/24	\$ 120	112
		349
Netherlands (0.2%)		
Netherlands Government Bond, 3.75%, 1/15/42 (c)	EUR 100	185
New Zealand (0.5%)		
New Zealand Government Bond, 3.00%, 4/20/29	NZD 667	474
Norway (0.1%)		
Norway Government Bond, 2.00%, 5/24/23 (c)	NOK 730	87
Poland (0.6%)		
Republic of Poland Government Bond, 2.25%, 4/25/22	PLN 1,900	514
4.00%, 10/25/23	330	96
		610

Consolidated Portfolio of Investments (cont'd)

Global Strategist Portfolio

	Face Amount (000)	Value (000)	Shares	Value (000)
Sovereign (cont'd)				
Portugal (1.6%)				
Portugal Obrigacoes do Tesouro OT, 2.88%, 7/21/26 (c)	EUR	576		\$ 732
3.88%, 2/15/30 (c)		190		259
4.13%, 4/14/27 (c)		530		729
				1,720
Russia (0.1%)				
Russian Federal Bond — OFZ, 7.00%, 8/16/23	RUB	5,250		72
Spain (1.7%)				
Spain Government Bond, 0.35%, 7/30/23	EUR	710		814
0.40%, 4/30/22		330		383
1.95%, 7/30/30 (c)		240		284
4.40%, 10/31/23 (c)		210		287
				1,768
Sweden (0.1%)				
Sweden Government Bond, 1.00%, 11/12/26	SEK	470		56
United Kingdom (1.1%)				
United Kingdom Gilt, 3.50%, 1/22/45	GBP	430		734
4.25%, 6/7/32 - 9/7/39		260		459
				1,193
Total Sovereign (Cost \$27,283)				
				27,495
U.S. Treasury Securities (9.5%)				
United States (9.5%)				
U.S. Treasury Bonds, 2.50%, 2/15/45	\$	370		335
3.13%, 5/15/48		1,270		1,295
3.50%, 2/15/39		800		876
U.S. Treasury Notes, 0.50%, 1/15/28		6,316		6,031
2.25%, 2/15/27		1,460		1,418
Total U.S. Treasury Securities (Cost \$9,991)				
				9,955
Total Fixed Income Securities (Cost \$58,125)				
				57,895
Common Stocks (28.9%)				
Australia (0.8%)				
AGL Energy Ltd.			533	\$ 8
Alumina Ltd.			5,569	9
Amtcor Ltd.			1,645	15
AMP Ltd.			4,271	7
ASX Ltd.			294	12
Australia & New Zealand Banking Group Ltd.			4,462	77
BHP Group Ltd.			3,478	84
Brambles Ltd.			1,848	13
CIMIC Group Ltd.			244	7
Coca-Cola Amatil Ltd.			317	2
Coles Group Ltd. (e)			1,163	10
Commonwealth Bank of Australia			1,558	79
CSL Ltd.			594	78
Evolution Mining Ltd.			1,862	5
Fortescue Metals Group Ltd.			1,713	5
GPT Group (The) REIT			4,585	17
Incitec Pivot Ltd.			2,655	6
Independence Group NL			756	2
Insurance Australia Group Ltd.			2,917	14
Macquarie Group Ltd.			427	33
National Australia Bank Ltd.			3,457	59
Newcrest Mining Ltd.			2,003	31
Northern Star Resources Ltd.			743	5
OneMarket Ltd. (e)			137	—@
Orica Ltd.			644	8
Origin Energy Ltd. (e)			1,422	6
Orora Ltd.			1,645	4
QBE Insurance Group Ltd.			2,359	17
Regis Resources Ltd.			764	3
Resolute Mining Ltd.			1,454	1
Rio Tinto Ltd.			468	26
Santos Ltd.			1,191	5
Saracen Mineral Holdings Ltd. (e)			1,119	2
Scentre Group REIT			6,017	16
Shopping Centres Australasia Property Group REIT			306	1
South32 Ltd.			11,474	27
St. Barbara Ltd.			826	3
Star Entertainment Grp Ltd. (The)			218	1
Stockland REIT			6,034	15
Suncorp Group Ltd.			1,750	16
Sydney Airport			452	2
Tabcorp Holdings Ltd.			224	1
Telstra Corp., Ltd.			4,317	9
Transurban Group			2,014	16
Treasury Wine Estates Ltd.			964	10
Wesfarmers Ltd.			1,163	26
Westpac Banking Corp.			3,149	55
Woodside Petroleum Ltd.			670	15
Woolworths Group Ltd.			1,372	28
				891

Consolidated Portfolio of Investments (cont'd)

Global Strategist Portfolio

	Shares	Value (000)		Shares	Value (000)
Austria (0.1%)					
Erste Group Bank AG (e)	362	\$ 12	Loblaws Cos., Ltd.	129	\$ 6
IMMOFINANZ AG (e)	56	2	Magna International, Inc.	571	26
Raiffeisen Bank International AG	3,782	96	Manulife Financial Corp.	1,881	27
Verbund AG	75	3	National Bank of Canada	400	16
voestalpine AG	158	5	New Gold, Inc. (e)	1,044	1
		118	Nutrien Ltd.	529	25
			Obsidian Energy Ltd. (e)	500	—@
Belgium (0.1%)			OceanaGold Corp.	883	3
Ageas	219	10	Osisko Gold Royalties Ltd.	173	2
Anheuser-Busch InBev SA N.V.	525	35	Pan American Silver Corp.	231	3
Colruyt SA	71	5	Power Corp. of Canada	571	10
Groupe Bruxelles Lambert SA	119	10	PrairieSky Royalty Ltd.	19	—@
KBC Group N.V.	89	6	Rogers Communications, Inc., Class B	381	20
Solvay SA	57	6	Royal Bank of Canada	752	51
Umicore SA	254	10	Sandstorm Gold Ltd. (e)	246	1
		82	SEMAFO, Inc. (e)	458	1
			SSR Mining, Inc. (e)	162	2
Canada (1.0%)			Sun Life Financial, Inc.	467	15
Agnico Eagle Mines Ltd.	526	21	Suncor Energy, Inc.	1,133	32
Alamos Gold, Inc., Class A	523	2	Tahoe Resources, Inc. (e)	589	2
Asanko Gold, Inc. (e)	298	—@	Teck Resources Ltd., Class B	476	10
B2Gold Corp. (e)	1,296	4	Thomson Reuters Corp.	363	18
Bank of Montreal	376	25	Torex Gold Resources, Inc. (e)	81	1
Bank of Nova Scotia (The)	467	23	Toronto-Dominion Bank (The)	1,129	56
Barrick Gold Corp.	2,041	28	TransCanada Corp.	471	17
Barrick Gold Corp.	17,060	231	Wheaton Precious Metals Corp.	1,042	20
BCE, Inc.	600	24	Yamana Gold, Inc.	2,074	5
Blackberry Ltd. (e)	476	3			996
Brookfield Asset Management, Inc., Class A	609	23	China (0.0%)		
Brookfield Business Partners LP	20	1	Yum China Holdings, Inc.	356	12
Cameco Corp.	476	5	Zhaojin Mining Industry Co., Ltd. H Shares (f)	1,495	2
Canadian Imperial Bank of Commerce	476	35	Zijin Mining Group Co., Ltd. H Shares (f)	8,277	3
Canadian National Railway Co.	562	42			17
Canadian Natural Resources Ltd.	562	14	Denmark (0.3%)		
Canadian Pacific Railway Ltd.	200	35	AP Moller — Maersk A/S Series A	6	7
Cenovus Energy, Inc.	562	4	AP Moller — Maersk A/S Series B	11	14
Centerra Gold, Inc. (e)	353	2	Danske Bank A/S	909	18
Crescent Point Energy Corp.	286	1	DSV A/S	435	29
Detour Gold Corp. (e)	247	2	Novo Nordisk A/S Series B	4,719	217
Eldorado Gold Corp. (e)	337	1	Novozymes A/S Series B	383	17
Enbridge, Inc.	438	14	Vestas Wind Systems A/S	448	34
Enbridge, Inc.	657	20			336
Encana Corp.	562	3	Finland (0.1%)		
Endeavour Mining Corp. (e)	104	2	Elisa Oyj	163	7
First Majestic Silver Corp. (e)	228	1	Fortum Oyj	382	9
Fortuna Silver Mines, Inc. (e)	259	1	Kone Oyj, Class B	343	16
Franco-Nevada Corp.	279	20	Metso Oyj	120	3
George Weston Ltd.	17	1	Nokia Oyj	3,329	19
Goldcorp, Inc.	1,834	18	Nokian Renkaat Oyj	141	4
Guyana Goldfields, Inc. (e)	293	—@	Sampo Oyj, Class A	355	16
IAMGOLD Corp. (e)	725	3	Stora Enso Oyj, Class R	588	7
Imperial Oil Ltd.	95	2	UPM-Kymmene Oyj	325	8
Kinross Gold Corp. (e)	2,506	8			
Kirkland Lake Gold Ltd.	260	7			

Consolidated Portfolio of Investments (cont'd)

Global Strategist Portfolio

	Shares	Value (000)		Shares	Value (000)
Finland (cont'd)				Germany (0.6%)	
Valmet Oyj	120	\$ 3	Adidas AG	126	\$ 26
Wartsila Oyj Abp	513	8	Allianz SE (Registered)	284	57
		100	BASF SE	417	29
France (0.9%)			Bayer AG (Registered)	471	33
Aeroports de Paris (ADP)	32	6	Bayerische Motoren Werke AG	254	21
Air Liquide SA	333	41	CECONOMY AG	125	—@
Airbus SE	396	38	Commerzbank AG (e)	210	1
Alstom SA	238	10	Continental AG	60	8
ArcelorMittal	262	5	Daimler AG (Registered)	486	26
AXA SA	1,795	39	Deutsche Bank AG (Registered)	628	5
BNP Paribas SA	1,161	52	Deutsche Boerse AG	110	13
Bouygues SA	208	7	Deutsche Lufthansa AG (Registered)	129	3
Capgemini SE	195	19	Deutsche Post AG (Registered)	433	12
Carrefour SA	436	7	Deutsche Telekom AG (Registered)	1,535	26
CGG SA (e)	5	—@	E.ON SE	1,058	10
Cie de Saint-Gobain	408	14	Fraport AG Frankfurt Airport Services Worldwide	25	2
Cie Generale des Etablissements Michelin SCA	214	21	Fresenius Medical Care AG & Co., KGaA	133	9
Covivio REIT	31	3	Fresenius SE & Co., KGaA	290	14
Credit Agricole SA	1,522	16	HeidelbergCement AG	44	3
Danone SA	432	30	Henkel AG & Co., KGaA	114	11
Electricite de France SA	328	5	Henkel AG & Co., KGaA (Preference)	211	23
Engie SA	1,158	17	Infineon Technologies AG	911	18
EssilorLuxottica SA	178	23	K+S AG (Registered)	63	1
Gecina SA REIT	22	3	LANXESS AG	38	2
Getlink SE	557	8	Linde PLC (e)	167	26
Hermes International	23	13	Merck KGaA	138	14
Klepierre SA REIT	187	6	METRO AG	125	2
L'Oreal SA	246	56	Muenchener Rueckversicherungs-Gesellschaft AG in Muenchen (Registered)	146	32
Legrand SA	114	6	OSRAM Licht AG	40	2
LVMH Moet Hennessy Louis Vuitton SE	185	54	Porsche Automobil Holding SE (Preference)	188	11
Orange SA	1,686	27	QIAGEN N.V. (e)	321	11
Pernod Ricard SA	206	34	RWE AG	346	8
Peugeot SA	226	5	Salzgitter AG	52	2
Publicis Groupe SA	183	11	SAP SE	563	56
Renault SA	194	12	Siemens AG (Registered)	408	45
Safran SA	147	18	thyssenKrupp AG	146	2
Sanofi	455	39	Uniper SE	105	3
Schneider Electric SE	459	31	Volkswagen AG	26	4
SES SA	360	7	Volkswagen AG (Preference)	107	17
Societe Generale SA	868	28			588
Sodexo SA	160	16	Hong Kong (0.2%)		
Thales SA	92	11	Bank of East Asia Ltd. (The)	1,738	5
TOTAL SA	1,305	69	BOC Hong Kong Holdings Ltd.	2,500	9
Unibail-Rodamco-Westfield REIT	52	8	CK Asset Holdings Ltd.	2,052	15
Unibail-Rodamco-Westfield REIT CDI (e)	1,000	8	CK Hutchison Holdings Ltd.	2,052	20
Vallourec SA (e)	98	—@	CLP Holdings Ltd.	1,200	13
Veolia Environnement SA	344	7	Esprit Holdings Ltd. (e)	1,397	—@
Vinci SA	487	40	Global Brands Group Holding Ltd. (e)	4,000	—@
Vivendi SA	1,030	25	Hanergy Thin Film Power Group Ltd. (e)(g)(h)	18,000	1
		895	Hang Lung Group Ltd.	1,000	3
			Hang Lung Properties Ltd.	2,000	4

Consolidated Portfolio of Investments (cont'd)

Global Strategist Portfolio

	Shares	Value (000)
Hong Kong (cont'd)		
Hang Seng Bank Ltd.	800	\$ 18
Henderson Land Development Co., Ltd.	1,955	10
Hong Kong & China Gas Co., Ltd.	5,005	10
Hong Kong Exchanges & Clearing Ltd.	779	22
ICABLE Communications Ltd. (e)	1,072	—@
Kerry Logistics Network Ltd.	750	1
Kerry Properties Ltd.	1,000	3
Li & Fung Ltd.	4,000	1
Link REIT	1,254	13
MTR Corp., Ltd.	1,478	8
New World Development Co., Ltd.	4,135	5
Power Assets Holdings Ltd.	1,000	7
Sands China Ltd.	1,600	7
Sino Land Co., Ltd.	2,662	5
Sun Hung Kai Properties Ltd.	2,530	36
Swire Pacific Ltd., Class A	1,000	10
Swire Properties Ltd.	350	1
Wharf Holdings Ltd. (The)	1,400	4
Wharf Real Estate Investment Co., Ltd.	1,400	8
Wynn Macau Ltd.	1,200	3
		242
Ireland (0.0%)		
CRH PLC	488	13
Italy (0.1%)		
Assicurazioni Generali SpA	766	13
Atlantia SpA	203	4
Banco BPM SpA (e)	215	1
CNH Industrial N.V.	456	4
Enel SpA	4,573	27
Eni SpA	1,280	20
EXOR N.V.	55	3
Ferrari N.V.	61	6
Fiat Chrysler Automobiles N.V. (e)	607	9
Intesa Sanpaolo SpA	9,404	21
Italgas SpA	197	1
Leonardo SpA	351	3
Luxottica Group SpA	69	4
Mediobanca Banca di Credito Finanziario SpA	544	5
Prysmian SpA	116	2
Rizzoli Corriere Della Sera Mediagroup SpA (e)	41	—@
Saipem SpA (e)	15	—@
Snam SpA	989	4
Telecom Italia SpA	2,252	1
Telecom Italia SpA (e)	5,340	3
Tenaris SA	277	3
Terna Rete Elettrica Nazionale SpA	922	5
UniCredit SpA	1,079	12
Unione di Banche Italiane SpA	471	1
		152

	Shares	Value (000)
Japan (0.0%)		
Aozora Bank Ltd.	18	\$ 1
Bank of Kyoto Ltd. (The)	8	—@
Chiba Bank Ltd. (The)	90	1
Concordia Financial Group Ltd.	163	1
Fukuoka Financial Group, Inc.	21	—@
Japan Post Bank Co., Ltd.	60	1
Mebuki Financial Group, Inc.	123	—@
Mizuho Financial Group, Inc.	4,734	7
Resona Holdings, Inc.	311	2
Seven Bank Ltd.	89	—@
Shinsei Bank Ltd.	25	—@
Shizuoka Bank Ltd. (The)	67	1
Sumitomo Mitsui Financial Group, Inc.	253	8
Sumitomo Mitsui Trust Holdings, Inc.	49	2
Suruga Bank Ltd.	24	—@
Yamaguchi Financial Group, Inc.	29	—@
		24
Netherlands (0.3%)		
Akzo Nobel N.V.	228	18
ASML Holding N.V.	299	47
Coca-Cola European Partners PLC (e)	129	6
Fugro N.V. CVA (e)	56	—@
Heineken N.V.	360	32
ING Groep N.V.	3,316	36
Koninklijke Ahold Delhaize N.V.	882	22
Koninklijke KPN N.V.	1,070	3
Koninklijke Philips N.V.	1,098	39
Koninklijke Vopak N.V.	68	3
PostNL N.V.	385	1
Unilever N.V. CVA	1,146	62
		269
New Zealand (0.0%)		
Auckland International Airport Ltd.	1,674	8
Contact Energy Ltd.	1,252	5
Fletcher Building Ltd. (e)	1,181	4
Mercury NZ Ltd.	1,212	3
Meridian Energy Ltd.	2,247	5
Ryman Healthcare Ltd.	661	5
Spark New Zealand Ltd.	3,134	8
		38
Norway (0.1%)		
Akastor ASA (e)	246	—@
Aker Solutions ASA (e)	246	1
DNB ASA	2,463	40
Equinor ASA	2,284	49
Kvaerner ASA (e)	246	—@
Norsk Hydro ASA	1,778	8
Orkla ASA	1,208	10
REC Silicon ASA (e)	1,171	—@

Consolidated Portfolio of Investments (cont'd)

Global Strategist Portfolio

	Shares	Value (000)		Shares	Value (000)
Norway (cont'd)				Sweden (0.5%)	
Subsea 7 SA	420	\$ 4	Alfa Laval AB	438	\$ 9
Telenor ASA	995	19	Assa Abloy AB, Class B	1,501	27
Yara International ASA	352	14	Atlas Copco AB, Class A	995	24
		145	Atlas Copco AB, Class B	580	13
			Boliden AB	402	9
Peru (0.0%)			Electrolux AB, Class B	355	7
Cia de Minas Buenaventura SA ADR	235	4	Epiroc AB, Class A (e)	995	9
Poland (0.6%)			Epiroc AB, Class B (e)	580	5
Alior Bank SA (e)	1,598	23	Essity AB, Class B	909	22
Bank Handlowy w Warszawie SA	541	10	Getinge AB, Class B	336	3
Bank Millennium SA (e)	9,093	22	Hennes & Mauritz AB, Class B	1,377	20
Bank Polska Kasa Opieki SA	7,521	219	Hexagon AB, Class B	382	18
Jeronimo Martins SGPS SA	241	3	Husqvarna AB, Class B	620	5
mBank SA	205	23	ICA Gruppen AB	117	4
Powszechna Kasa Oszczednosci Bank Polski SA	26,408	278	Industrivarden AB, Class C	251	5
Santander Bank Polska SA	681	65	Investor AB, Class B	687	29
		643	Kinnevik AB, Class B	355	9
Portugal (0.0%)			L. E. Lundbergforetagen AB, Class B	130	4
EDP — Energias de Portugal SA	2,371	8	Lundin Petroleum AB	277	7
Galp Energia SGPS SA	247	4	Millicom International Cellular SA SDR	99	6
Pharol SGPS SA (Registered) (e)	610	—@	Modern Times Group MTG AB, Class B	17	1
		12	Nordea Bank Abp	5,076	43
South Africa (0.0%)			Sandvik AB	1,652	24
AngloGold Ashanti Ltd.	477	6	Securitas AB, Class B	462	7
Gold Fields Ltd.	1,114	4	Skandinaviska Enskilda Banken AB, Class A	2,509	24
Harmony Gold Mining Co. Ltd. (e)	498	1	Skanska AB, Class B	502	8
Nedbank Group Ltd.	249	5	SKF AB, Class B	564	9
Old Mutual Ltd.	7,755	11	Svenska Handelsbanken AB, Class A	2,465	27
Sibanye Gold Ltd. (e)	1,909	1	Swedbank AB, Class A	1,474	33
		28	Swedish Match AB	267	10
Spain (0.2%)			Tele2 AB, Class B	531	7
ACS Actividades de Construccion y Servicios SA	193	8	Telefonaktiebolaget LM Ericsson, Class B	4,652	41
Amadeus IT Group SA	176	12	Telia Co., AB	3,830	18
Banco Bilbao Vizcaya Argentaria SA	3,600	19	Volvo AB, Class B	2,307	30
Banco de Sabadell SA	4,364	5			517
Banco Santander SA	6,415	29	Switzerland (1.7%)		
CaixaBank SA	823	3	ABB Ltd. (Registered)	4,256	81
Distribuidora Internacional de Alimentacion SA	556	—@	Adecco Group AG (Registered)	399	19
Enagas SA	211	6	Baloise Holding AG (Registered)	153	21
Ferrovial SA	309	6	Cie Financiere Richemont SA (Registered)	811	52
Grifols SA	163	4	Credit Suisse Group AG (Registered) (e)	2,094	23
Grifols SA (Preference) Class B	38	1	GAM Holding AG	529	2
Iberdrola SA	2,771	22	Geberit AG (Registered)	127	49
Industria de Diseno Textil SA	824	21	Givaudan SA (Registered)	21	49
International Consolidated Airlines Group SA	1,054	8	Idorsia Ltd. (e)	410	7
Naturgy Energy Group SA	192	5	Julius Baer Group Ltd. (e)	406	14
Red Electrica Corp., SA	338	8	Kuehne & Nagel International AG (Registered)	120	15
Repsol SA	870	14	LafargeHolcim Ltd. (Registered) (e)	394	16
Telefonica SA	2,506	21	LafargeHolcim Ltd. (Registered) (e)	163	7
		192	Lonza Group AG (Registered) (e)	191	50
			Nestle SA (Registered)	4,872	396
			Novartis AG (Registered)	1,874	160

Consolidated Portfolio of Investments (cont'd)

Global Strategist Portfolio

	Shares	Value (000)		Shares	Value (000)
Switzerland (cont'd)					
Roche Holding AG (Genusschein)	1,742	\$ 431	Glencore PLC (e)	18,425	\$ 68
Schindler Holding AG	135	27	Hammerson PLC REIT	1,143	5
SGS SA (Registered)	19	43	Hargreaves Lansdown PLC	378	9
Sonova Holding AG (Registered)	201	33	Hikma Pharmaceuticals PLC	204	4
Swatch Group AG (The)	54	16	HSBC Holdings PLC	30,251	248
Swiss Life Holding AG (Registered) (e)	62	24	IMI PLC	397	5
Swiss Re AG	227	21	Imperial Brands PLC	1,426	43
UBS Group AG (Registered) (e)	6,347	79	Inmarsat PLC	662	3
Zurich Insurance Group AG	315	94	InterContinental Hotels Group PLC	263	14
			Intertek Group PLC	245	15
		1,729	Intu Properties PLC REIT	1,268	2
			Investec PLC	966	5
United Kingdom (3.2%)			ITV PLC	5,103	8
3i Group PLC	1,442	14	J Sainsbury PLC	2,447	8
Admiral Group PLC	289	8	Johnson Matthey PLC	276	10
Anglo American PLC	2,009	44	Kingfisher PLC	3,198	8
Antofagasta PLC	577	6	Land Securities Group PLC REIT	1,074	11
Ashthead Group PLC	749	16	Legal & General Group PLC	8,840	26
Associated British Foods PLC	531	14	Lloyds Banking Group PLC	107,935	71
AstraZeneca PLC	1,887	141	London Stock Exchange Group PLC	468	24
Auto Trader Group PLC (c)	1,432	8	Marks & Spencer Group PLC	2,328	7
Aviva PLC	6,077	29	Mediclinic International PLC	533	2
Babcock International Group PLC	360	2	Meggitt PLC	1,133	7
BAE Systems PLC	4,733	28	Melrose Industries PLC	5,518	11
Barclays PLC	25,687	49	Merlin Entertainments PLC (c)	1,040	4
Barratt Developments PLC	1,438	9	Micro Focus International PLC	632	11
Berkeley Group Holdings PLC	186	8	Micro Focus International PLC ADR	264	5
BHP Group PLC	3,317	69	Mondi PLC	533	11
BP PLC	29,485	186	National Grid PLC	5,100	49
British American Tobacco PLC	3,405	109	Next PLC	217	11
British Land Co., PLC (The) REIT	1,410	10	Paragon Offshore PLC (e)(h)	67	—
BT Group PLC	12,656	38	Pearson PLC	1,258	15
Bunzl PLC	504	15	Persimmon PLC	439	11
Burberry Group PLC	656	14	Provident Financial PLC (e)	221	2
Capita PLC (e)	954	1	Prudential PLC	3,889	70
Carnival PLC	295	14	Quilter PLC (c)	2,394	4
Centamin PLC	1,744	2	Randgold Resources Ltd.	253	21
Centrica PLC	8,215	14	Reckitt Benckiser Group PLC	1,013	77
Cobham PLC (e)	3,488	4	RELX PLC	1,609	33
Coca-Cola HBC AG (e)	265	8	Rio Tinto PLC	1,849	88
Compass Group PLC	2,365	50	Rolls-Royce Holdings PLC (e)	2,503	26
ConvaTec Group PLC (c)	2,001	4	Royal Bank of Scotland Group PLC	5,318	15
Croda International PLC	189	11	Royal Dutch Shell PLC, Class A	6,651	195
CYBG PLC CDI	888	2	Royal Dutch Shell PLC, Class B	5,658	168
DCC PLC	129	10	Royal Mail PLC	1,287	4
Diageo PLC	3,761	134	RSA Insurance Group PLC	1,485	10
Direct Line Insurance Group PLC	1,979	8	Sage Group PLC (The)	1,577	12
Dixons Carphone PLC	1,404	2	Schroders PLC	182	6
easyJet PLC	225	3	Segro PLC REIT	1,434	11
Experian PLC	1,410	34	Severn Trent PLC	336	8
Ferguson PLC	368	24	Shire PLC	1,359	79
Fresnillo PLC	324	4	Shire PLC ADR	380	66
G4S PLC	2,257	6	Sky Ltd.	1,546	34
GlaxoSmithKline PLC	7,301	139			

Consolidated Portfolio of Investments (cont'd)

Global Strategist Portfolio

	Shares	Value (000)		Shares	Value (000)
United Kingdom (cont'd)					
Smith & Nephew PLC	1,323	\$ 25	Avanos Medical, Inc. (e)	334	\$ 15
Smiths Group PLC	578	10	Avery Dennison Corp.	290	26
SSE PLC	1,496	21	Baker Hughes a GE Co.	367	8
St. James's Place PLC	763	9	Bank of America Corp.	8,835	218
Standard Chartered PLC	4,979	39	Bank of New York Mellon Corp. (The)	416	20
Standard Life Aberdeen PLC	3,403	11	Baxter International, Inc.	789	52
Tate & Lyle PLC	669	6	BB&T Corp.	380	16
Taylor Wimpey PLC	4,671	8	Becton Dickinson & Co.	377	85
Tesco PLC	12,752	31	Bed Bath & Beyond, Inc.	312	4
Travis Perkins PLC	362	5	Berkshire Hathaway, Inc., Class B (e)	711	145
TUI AG	633	9	Biogen, Inc. (e)	344	104
Unilever PLC	1,916	100	BlackRock, Inc.	305	120
United Utilities Group PLC	978	9	Boeing Co. (The)	805	260
Vodafone Group PLC	39,525	77	Booking Holdings, Inc. (e)	53	91
Weir Group PLC (The)	322	5	Boston Properties, Inc. REIT	175	20
Whitbread PLC	263	15	Boston Scientific Corp. (e)	357	13
Wm Morrison Supermarkets PLC	3,175	9	Bristol-Myers Squibb Co.	1,788	93
WPP PLC	1,932	21	Broadcom, Inc.	7	2
		3,361	Brookfield Property Partners LP (e)	138	2
			Brookfield Property Partners LP	40	1
			California Resources Corp. (e)	123	2
			Capital One Financial Corp.	4,141	313
			Cardinal Health, Inc.	182	8
			Carnival Corp.	2	—@
			Caterpillar, Inc.	747	95
			CBS Corp., Class B	385	17
			CDK Global, Inc.	152	7
			Celgene Corp. (e)	760	49
			CenterPoint Energy, Inc.	175	5
			CenturyLink, Inc.	380	6
			Cerner Corp. (e)	339	18
			CF Industries Holdings, Inc.	38	2
			CH Robinson Worldwide, Inc.	232	20
			Charles Schwab Corp. (The)	414	17
			Charter Communications, Inc., Class A (e)	183	52
			Chemours Co. (The)	316	9
			Chesapeake Energy Corp. (e)	269	1
			Chevron Corp.	1,397	152
			Chipotle Mexican Grill, Inc. (e)	45	19
			Cigna Corp. (e)	467	89
			Cintas Corp.	188	32
			Cisco Systems, Inc.	3,897	169
			CIT Group, Inc.	358	14
			Citigroup, Inc.	2,425	126
			Citrix Systems, Inc.	247	25
			Cleveland-Cliffs, Inc. (e)	20	—@
			CME Group, Inc.	212	40
			CNX Resources Corp. (e)	283	3
			Coca-Cola Co. (The)	809	38
			Coeur Mining, Inc. (e)	276	1
			Cognizant Technology Solutions Corp., Class A	312	20
			Colgate-Palmolive Co.	2,200	131
			Comcast Corp., Class A	4,094	139
United States (18.1%)					
3M Co.	855	163			
Abbott Laboratories	1,263	91			
AbbVie, Inc.	881	81			
Accenture PLC, Class A	829	117			
Adient PLC	38	1			
Adobe, Inc. (e)	332	75			
AdvanSix, Inc. (e)	142	3			
AES Corp.	292	4			
Agilent Technologies, Inc.	226	15			
Alexion Pharmaceuticals, Inc. (e)	234	23			
Allergan PLC	220	29			
Alphabet, Inc., Class A (e)	349	365			
Alphabet, Inc., Class C (e)	338	350			
Altria Group, Inc.	1,513	75			
Amazon.com, Inc. (e)	343	515			
Ameren Corp.	210	14			
American Electric Power Co., Inc.	341	25			
American Express Co.	2,905	277			
American International Group, Inc.	1,551	61			
American Tower Corp. REIT	375	59			
Ameriprise Financial, Inc.	224	23			
AmerisourceBergen Corp.	270	20			
Amgen, Inc.	736	143			
Amphenol Corp., Class A	327	26			
Anadarko Petroleum Corp.	725	32			
Analog Devices, Inc.	168	14			
Annaly Capital Management, Inc. REIT	380	4			
Anthem, Inc.	346	91			
Apache Corp.	242	6			
Apple, Inc.	3,979	628			
AT&T, Inc.	4,138	118			
Automatic Data Processing, Inc.	334	44			

Consolidated Portfolio of Investments (cont'd)

Global Strategist Portfolio

	Shares	Value (000)		Shares	Value (000)
United States (cont'd)					
Comerica, Inc.	224	\$ 15	Freeport-McMoRan, Inc.	6,348	\$ 65
Concho Resources, Inc. (e)	122	13	Frontier Communications Corp.	34	—@
Conduent, Inc. (e)	219	2	Garrett Motion, Inc. (e)	161	2
ConocoPhillips	1,315	82	General Dynamics Corp.	73	11
CONSOL Energy, Inc. (e)	46	1	General Electric Co.	3,972	30
Consolidated Edison, Inc.	339	26	General Mills, Inc.	423	16
Costco Wholesale Corp.	781	159	Gilead Sciences, Inc.	760	48
Crown Castle International Corp. REIT	349	38	Goldman Sachs Group, Inc. (The)	489	82
CSX Corp.	344	21	Halliburton Co.	6,142	163
Cummins, Inc.	9	1	HCP, Inc. REIT	319	9
CVS Health Corp.	2,370	155	Hecla Mining Co.	658	2
Danaher Corp.	338	35	Henry Schein, Inc. (e)	329	26
DaVita, Inc. (e)	302	16	Hershey Co. (The)	166	18
Deere & Co.	24	4	Hess Corp.	232	9
Dell Technologies, Inc., Class C (e)	251	12	Hewlett Packard Enterprise Co.	908	12
Devon Energy Corp.	273	6	Home Depot, Inc. (The)	1,250	215
Discover Financial Services	5,442	321	Honeywell International, Inc.	1,317	174
Discovery, Inc., Class A (e)	327	8	HP, Inc.	797	16
Discovery, Inc., Class C (e)	367	8	Humana, Inc.	131	38
Dominion Energy, Inc.	270	19	Illinois Tool Works, Inc.	29	4
DowDuPont, Inc.	2,734	146	Intel Corp.	2,133	100
DR Horton, Inc.	3,192	111	Intercontinental Exchange, Inc.	379	29
DTE Energy Co.	280	31	International Business Machines Corp.	762	87
Duke Energy Corp.	711	61	Interpublic Group of Cos., Inc. (The)	418	9
Dun & Bradstreet Corp. (The)	182	26	Intuit, Inc.	327	64
DXC Technology Co.	166	9	Intuitive Surgical, Inc. (e)	142	68
Eagle Materials, Inc.	304	19	Invesco Ltd.	341	6
Eaton Corp., PLC	30	2	Iron Mountain, Inc. CDI (e)	78	3
eBay, Inc. (e)	1,218	34	Iron Mountain, Inc. REIT	422	14
Ecolab, Inc.	34	5	JBG SMITH Properties REIT	65	2
Edison International	364	21	Johnson & Johnson	2,045	264
Edwards Lifesciences Corp. (e)	316	48	Johnson Controls International PLC	350	10
Eli Lilly & Co.	848	98	JPMorgan Chase & Co.	3,389	331
Emerson Electric Co.	861	51	Juniper Networks, Inc.	360	10
Entergy Corp.	283	24	KB Home	494	9
EOG Resources, Inc.	372	32	Kellogg Co.	325	19
Equity Residential REIT	363	24	KeyCorp	339	5
ESC Seventy Seven (e)(h)	15	—@	Keysight Technologies, Inc. (e)	126	8
Estee Lauder Cos., Inc. (The), Class A	287	37	Kimberly-Clark Corp.	735	84
Exelon Corp.	371	17	Kimco Realty Corp. REIT	401	6
Exxon Mobil Corp.	2,695	184	Kohl's Corp.	302	20
Facebook, Inc., Class A (e)	1,123	147	Kraft Heinz Co. (The)	95	4
Fastenal Co.	15	1	Kroger Co. (The)	482	13
FedEx Corp.	343	55	L Brands, Inc.	266	7
Fidelity National Financial, Inc.	2,469	78	Laboratory Corp. of America Holdings (e)	173	22
Fifth Third Bancorp	311	7	Las Vegas Sands Corp.	162	8
First American Financial Corp.	980	44	Lennar Corp., Class A	2,564	100
FirstEnergy Corp.	312	12	Liberty Global PLC, Class A (e)	365	8
Fluor Corp.	45	1	Liberty Global PLC Series C (e)	361	7
Ford Motor Co.	3,817	29	Liberty Latin America Ltd., Class A (e)	72	1
Fortive Corp.	292	20	Liberty Latin America Ltd., Class C (e)	181	3
Franklin Resources, Inc.	322	10	Liberty Property Trust REIT	357	15
			Linde PLC	29	5

Consolidated Portfolio of Investments (cont'd)

Global Strategist Portfolio

	Shares	Value (000)		Shares	Value (000)
United States (cont'd)					
Lockheed Martin Corp.	15	\$ 4	ONEOK, Inc.	331	\$ 18
LogMeIn, Inc.	49	4	Oracle Corp.	2,721	123
Louisiana-Pacific Corp.	858	19	Owens Corning	960	42
Lowe's Cos., Inc.	1,299	120	PACCAR, Inc.	22	1
M&T Bank Corp.	202	29	PayPal Holdings, Inc. (e)	1,218	102
M/I Homes, Inc. (e)	169	4	Pentair PLC	6	—@
Macerich Co. (The) REIT	363	16	People's United Financial, Inc.	188	3
Mallinckrodt PLC (e)	29	—@	PepsiCo, Inc.	1,216	134
ManpowerGroup, Inc.	110	7	Perspecta, Inc.	83	1
Marathon Oil Corp.	307	4	Pfizer, Inc.	3,198	140
Marathon Petroleum Corp.	326	19	PG&E Corp. (e)	358	8
Marriott International, Inc., Class A	2	—@	Philip Morris International, Inc.	1,072	72
Martin Marietta Materials, Inc.	578	99	Phillips 66	714	62
Masco Corp.	2,769	81	Pioneer Natural Resources Co.	302	40
Mastercard, Inc., Class A	1,572	297	Pitney Bowes, Inc.	232	1
McDonald's Corp.	783	139	PNC Financial Services Group, Inc. (The)	473	55
McEwen Mining, Inc.	352	1	PPL Corp.	389	11
McKesson Corp.	302	33	Procter & Gamble Co. (The)	2,092	192
MDC Holdings, Inc.	273	8	ProLogis, Inc. REIT	317	19
Medtronic PLC	1,194	109	Public Service Enterprise Group, Inc.	289	15
Merck & Co., Inc.	1,486	114	Public Storage REIT	167	34
Meritage Homes Corp. (e)	232	9	Pulte Group, Inc.	2,295	60
MGIC Investment Corp. (e)	3,266	34	QUALCOMM, Inc.	1,896	108
Microsoft Corp.	4,540	461	Quest Diagnostics, Inc.	247	21
Mohawk Industries, Inc. (e)	588	69	Range Resources Corp.	146	1
Mondelez International, Inc., Class A	687	27	Rayonier Advanced Materials, Inc.	193	2
Mosaic Co. (The)	29	1	Rayonier, Inc. REIT	316	9
Murphy Oil Corp.	339	8	Raytheon Co.	22	3
Murphy USA, Inc. (e)	162	12	Regions Financial Corp.	336	4
Nasdaq, Inc.	188	15	Republic Services, Inc.	318	23
National Oilwell Varco, Inc.	418	11	Resideo Technologies, Inc. (e)	236	5
NetApp, Inc.	304	18	Robert Half International, Inc.	224	13
NetScout Systems, Inc. (e)	2,132	50	Rockwell Automation, Inc.	9	1
New York Community Bancorp, Inc.	188	2	Ross Stores, Inc.	320	27
Newfield Exploration Co. (e)	348	5	Royal Caribbean Cruises Ltd.	2	—@
Newmont Mining Corp.	5,513	191	Royal Gold, Inc.	95	8
News Corp., Class A	356	4	S&P Global, Inc.	317	54
News Corp., Class B	310	4	Sabra Health Care, Inc. REIT	118	2
NextEra Energy, Inc.	320	56	salesforce.com, Inc. (e)	365	50
NIKE, Inc., Class B	2,468	183	Schlumberger Ltd.	1,095	39
Noble Corp., PLC (e)	254	1	Scotts Miracle-Gro Co. (The), Class A	259	16
Noble Energy, Inc.	310	6	Sempra Energy	357	39
Nordstrom, Inc.	137	6	Simon Property Group, Inc. REIT	349	59
Norfolk Southern Corp.	358	54	Skyline Champion Corp.	136	2
Northrop Grumman Corp.	20	5	Southern Co. (The)	283	12
NOW, Inc. (e)	188	2	Southwestern Energy Co. (e)	344	1
nVent Electric PLC	6	—@	Sprint Corp. (e)	718	4
NVR, Inc. (e)	31	76	Starbucks Corp.	1,543	99
O'Reilly Automotive, Inc. (e)	242	83	State Street Corp.	357	23
Occidental Petroleum Corp.	816	50	Stericycle, Inc. (e)	249	9
Omnicom Group, Inc.	277	20	Stewart Information Services Corp.	126	5
ONE Gas, Inc.	129	10	Stryker Corp.	327	51
			SunTrust Banks, Inc.	344	17

Consolidated Portfolio of Investments (cont'd)

Global Strategist Portfolio

	Shares	Value (000)
United States (cont'd)		
Symantec Corp.	308	\$ 6
Synchrony Financial	10,459	245
Sysco Corp.	287	18
T Rowe Price Group, Inc.	278	26
Tapestry, Inc.	346	12
Target Corp.	765	51
TE Connectivity Ltd.	186	14
TechnipFMC PLC	97	2
Texas Instruments, Inc.	2,211	209
Thermo Fisher Scientific, Inc.	306	68
TJX Cos., Inc. (The)	756	34
Toll Brothers, Inc.	1,270	42
Twenty-First Century Fox, Inc., Class A	1,096	53
Twenty-First Century Fox, Inc., Class B	348	17
Union Pacific Corp.	1,287	178
United Parcel Service, Inc., Class B	1,307	127
United Technologies Corp.	2,112	225
UnitedHealth Group, Inc.	1,263	315
Universal Forest Products, Inc.	386	10
Urban Edge Properties REIT	74	1
US Bancorp	955	44
Valero Energy Corp.	300	22
Varex Imaging Corp. (e)	124	3
Varian Medical Systems, Inc. (e)	275	31
Ventas, Inc. REIT	253	15
Verisk Analytics, Inc. (e)	168	18
Verizon Communications, Inc.	7,541	424
VF Corp.	348	25
Viacom, Inc., Class B	292	7
Visa, Inc., Class A	2,091	276
Vornado Realty Trust REIT	131	8
Vulcan Materials Co.	1,215	120
Walgreens Boots Alliance, Inc.	368	25
Walmart, Inc.	2,066	192
Walt Disney Co. (The)	1,242	136
Washington Prime Group, Inc. REIT	397	2
Waste Management, Inc.	333	30
Watsco, Inc.	294	41
Weatherford International PLC (e)	388	—@
WEC Energy Group, Inc.	220	15
Wells Fargo & Co.	2,651	122
Welltower, Inc. REIT	363	25
Western Digital Corp.	72	3
Western Union Co. (The)	88	1
Weyerhaeuser Co. REIT	418	9
Williams Cos., Inc. (The)	358	8
Worldpay, Inc., Class A (e)	225	17
WPX Energy, Inc. (e)	332	4
WW Grainger, Inc.	5	1
Wynn Resorts Ltd.	115	11
Xcel Energy, Inc.	295	15
Xerox Corp.	241	5

	Shares	Value (000)
Xylem, Inc.	135	\$ 9
Yum! Brands, Inc.	313	29
Zimmer Biomet Holdings, Inc.	249	26
Zoetis, Inc.	910	78
		18,883
Total Common Stocks (Cost \$27,836)		30,275
	No. of Rights	
Rights (0.0%)		
Austria (0.0%)		
BUQOG AG (e) (Cost \$1)	28	1
	No. of Warrants	
Warrant (0.0%)		
France (0.0%)		
CGG SA 2/21/22 (e) (Cost \$—)	5	—@
	Shares	
Investment Company (2.8%)		
United States (2.8%)		
SPDR S&P 500 ETF Trust (Cost \$2,078)	11,613	2,902
Short-Term Investments (11.3%)		
Investment Companies (9.0%)		
iPATH S&P 500 VIX Short-Term Futures ETN	8,266	388
Morgan Stanley Institutional Liquidity Funds — Government Portfolio — Institutional Class (See Note H)	9,035,845	9,036
Total Investment Companies (Cost \$9,391)		9,424
	Face Amount (000)	
U.S. Treasury Security (2.3%)		
U.S. Treasury Bill 2.38%, 3/21/19 (i)(j) (Cost \$2,456)	\$ 2,469	2,456
Total Short-Term Investments (Cost \$11,847)		11,880
Total Investments (98.4%) (Cost \$99,887) (k)(l)(m)		102,953
Other Assets in Excess of Liabilities (1.6%)		1,628
Net Assets (100.0%)		\$104,581

Country assignments and aggregations are based generally on third party vendor classifications and information, and may be different from the assignments and aggregations under the policies set forth in the Fund's prospectus and/or statement of additional information relating to geographic classifications.

(a) Security is subject to delayed delivery.

(b) Floating or Variable rate securities: The rates disclosed are as of December 31, 2018. For securities based on a published reference rate and spread, the reference rate and spread are indicated in the description in the Consolidated Portfolio of Investments. Certain variable rate securities may not be based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions. These securities do not indicate a reference rate and spread in their description in the Consolidated Portfolio of Investments.

Consolidated Portfolio of Investments (cont'd)

Global Strategist Portfolio

<p>(c) 144A security — Certain conditions for public sale may exist. Unless otherwise noted, these securities are deemed to be liquid.</p> <p>(d) Perpetual — One or more securities do not have a predetermined maturity date. Rates for these securities are fixed for a period of time, after which they revert to a floating rate. Interest rates in effect are as of December 31, 2018.</p> <p>(e) Non-income producing security.</p> <p>(f) Security trades on the Hong Kong exchange.</p> <p>(g) Security has been deemed illiquid at December 31, 2018.</p> <p>(h) At December 31, 2018, the Fund held fair valued securities valued at approximately \$1,000, 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 Company's Directors.</p> <p>(i) Rate shown is the yield to maturity at December 31, 2018.</p> <p>(j) All or a portion of the security was pledged to cover margin requirements for swap agreements.</p> <p>(k) The approximate fair value and percentage of net assets, \$10,275,000 and 9.8%, respectively, represent the securities that have been fair valued under the fair valuation policy for international investments as described in Note A-1 within the Notes to Consolidated Financial Statements.</p> <p>(l) Securities are available for collateral in connection with securities purchased on a forward commitment basis, open foreign currency forward exchange contracts, futures contracts and swap agreements.</p>	<p>(m) At December 31, 2018, the aggregate cost for federal income tax purposes is approximately \$100,785,000. The aggregate gross unrealized appreciation is approximately \$6,194,000 and the aggregate gross unrealized depreciation is approximately \$4,433,000, resulting in net unrealized appreciation of approximately \$1,761,000.</p> <p>@ Value is less than \$500.</p> <p>ADR American Depositary Receipt.</p> <p>ARS Auction Rate Security.</p> <p>CDI CHESSE Depositary Interest.</p> <p>CDOR Canadian Dealer Offered Rate.</p> <p>CVA Certificaten Van Aandelen.</p> <p>ETF Exchange Traded Fund.</p> <p>JIBAR Johannesburg Interbank Agreed Rate.</p> <p>KORIBOR Korea Interbank Offered Rate.</p> <p>LIBOR London Interbank Offered Rate.</p> <p>MTN Medium Term Note.</p> <p>OAT Obligations Assimilables du Trésor (French Treasury Obligation).</p> <p>OFZ Obligatsyi Federal'novo Zaima (Russian Federal Loan Obligation).</p> <p>REIT Real Estate Investment Trust.</p> <p>SDR Swedish Depositary Receipt.</p> <p>SPDR Standard & Poor's Depositary Receipt.</p> <p>TBA To Be Announced.</p>
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Foreign Currency Forward Exchange Contracts:

The Fund had the following foreign currency forward exchange contracts open at December 31, 2018:

Counterparty	Contracts to Deliver (000)	In Exchange For (000)	Delivery Date	Unrealized Appreciation (Depreciation) (000)
Australia and New Zealand Banking Group	NZD 628	\$ 422	3/28/19	\$ (—@)
Bank of America NA	EUR 242	\$ 277	3/14/19	(2)
Bank of America NA	PLN 145	\$ 38	3/14/19	(—@)
Bank of America NA	\$ 3,018	EUR 2,625	3/28/19	11
Bank of America NA	\$ 98	SGD 135	3/28/19	1
Bank of America NA	\$ 78	THB 2,555	3/28/19	—@
Bank of Montreal	\$ 60	HUF 16,990	3/14/19	1
Barclays Bank PLC	EUR 586	\$ 671	3/14/19	(5)
Barclays Bank PLC	GBP 67	\$ 85	3/14/19	(—@)
Barclays Bank PLC	JPY 2,948	\$ 26	3/14/19	(1)
Barclays Bank PLC	SGD 75	\$ 55	3/14/19	(—@)
Barclays Bank PLC	\$ 2,886	GBP 2,275	3/14/19	24
Barclays Bank PLC	\$ 8	MYR 34	3/28/19	—@
Barclays Bank PLC	\$ 597	SGD 817	3/14/19	4
BNP Paribas SA	ARS 5,362	\$ 132	1/24/19	(6)
BNP Paribas SA	\$ 172	ARS 7,325	1/24/19	17
BNP Paribas SA	ARS 8,360	\$ 180	1/24/19	(35)
BNP Paribas SA	CAD 224	\$ 164	3/14/19	—@
BNP Paribas SA	EUR 226	\$ 259	3/14/19	(2)
BNP Paribas SA	JPY 280	\$ 3	3/14/19	(—@)
BNP Paribas SA	PLN 925	\$ 246	3/28/19	(2)
BNP Paribas SA	\$ 173	ARS 7,705	1/24/19	26
BNP Paribas SA	\$ 241	ARS 10,328	1/24/19	25
BNP Paribas SA	\$ 654	ARS 21,058	1/24/19	(111)

Consolidated Portfolio of Investments (cont'd)

Global Strategist Portfolio

Foreign Currency Forward Exchange Contracts: (cont'd)

Counterparty	Contracts to Deliver (000)	In Exchange For (000)	Delivery Date	Unrealized Appreciation (Depreciation) (000)
BNP Paribas SA	\$ 121	ARS 3,909	1/24/19	\$ (21)
BNP Paribas SA	\$ 59	CAD 80	3/14/19	(1)
BNP Paribas SA	\$ 58	CAD 79	3/14/19	(—@)
BNP Paribas SA	\$ 248	RUB 16,624	3/14/19	(11)
BNP Paribas SA	\$ 288	TWD 8,817	3/14/19	—@
Citibank NA	AUD 148	\$ 105	3/28/19	1
Citibank NA	CAD 4	\$ 3	3/28/19	—@
Citibank NA	CLP 44,432	\$ 65	3/14/19	1
Citibank NA	JPY 1,035	\$ 9	3/14/19	(—@)
Citibank NA	KRW 44,159	\$ 40	3/14/19	(—@)
Citibank NA	THB 1,212	\$ 37	3/14/19	(—@)
Citibank NA	\$ 31	CAD 42	3/14/19	(1)
Citibank NA	\$ 68	CZK 1,528	3/14/19	—@
Citibank NA	\$ 695	GBP 548	3/14/19	6
Citibank NA	\$ 121	HKD 945	3/14/19	(—@)
Citibank NA	\$ 46	ILS 172	3/14/19	—@
Citibank NA	\$ 423	KRW 474,793	3/14/19	3
Citibank NA	\$ 305	THB 9,958	3/14/19	2
Citibank NA	\$ 146	TRY 821	3/14/19	3
Commonwealth Bank of Australia	EUR 147	\$ 168	3/14/19	(1)
Commonwealth Bank of Australia	NZD 9	\$ 6	3/14/19	—@
Commonwealth Bank of Australia	\$ 188	GBP 148	3/14/19	2
Credit Suisse International	EUR 2	\$ 3	3/14/19	(—@)
Goldman Sachs International	AUD 203	\$ 143	3/14/19	(—@)
Goldman Sachs International	BRL 17,384	\$ 4,503	5/16/19	63
Goldman Sachs International	BRL 6,220	\$ 1,606	5/16/19	18
Goldman Sachs International	BRL 6,816	\$ 1,763	5/16/19	22
Goldman Sachs International	BRL 512	\$ 129	5/16/19	(2)
Goldman Sachs International	BRL 656	\$ 171	5/16/19	3
Goldman Sachs International	CHF 37	\$ 38	3/14/19	(—@)
Goldman Sachs International	EUR 919	\$ 1,052	3/14/19	(7)
Goldman Sachs International	EUR 290	\$ 333	3/14/19	(1)
Goldman Sachs International	EUR 48	\$ 55	3/14/19	(—@)
Goldman Sachs International	GBP 452	\$ 575	3/14/19	(3)
Goldman Sachs International	IDR 611,514	\$ 42	3/14/19	(1)
Goldman Sachs International	JPY 1,535	\$ 14	3/14/19	(—@)
Goldman Sachs International	JPY 6,614	\$ 60	3/14/19	(—@)
Goldman Sachs International	\$ 82	ARS 3,460	3/14/19	2
Goldman Sachs International	\$ 455	AUD 633	3/14/19	(8)
Goldman Sachs International	\$ 266	BRL 1,036	5/16/19	(2)
Goldman Sachs International	\$ 1,549	BRL 5,907	5/16/19	(41)
Goldman Sachs International	\$ 103	BRL 435	5/16/19	8
Goldman Sachs International	\$ 1,451	BRL 6,179	5/16/19	127
Goldman Sachs International	\$ 1,053	BRL 4,446	5/16/19	82
Goldman Sachs International	\$ 1,772	BRL 6,800	5/16/19	(35)
Goldman Sachs International	\$ 187	BRL 701	5/16/19	(8)
Goldman Sachs International	\$ 1,393	BRL 5,238	5/16/19	(55)
Goldman Sachs International	\$ 172	BRL 665	5/16/19	(2)
Goldman Sachs International	\$ 174	BRL 680	3/14/19	—@
Goldman Sachs International	\$ 377	EUR 330	3/14/19	3
Goldman Sachs International	\$ 80	GBP 63	3/14/19	1

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

Consolidated Portfolio of Investments (cont'd)

Global Strategist Portfolio

Foreign Currency Forward Exchange Contracts: (cont'd)

Counterparty	Contracts to Deliver (000)	In Exchange For (000)	Delivery Date	Unrealized Appreciation (Depreciation) (000)
Goldman Sachs International	\$ 95	HKD 740	3/14/19	\$ (—@)
Goldman Sachs International	\$ 47	HUF 13,252	3/14/19	1
Goldman Sachs International	ZAR 3,396	\$ 235	3/14/19	1
JPMorgan Chase Bank NA	CHF 125	\$ 128	3/14/19	(—@)
JPMorgan Chase Bank NA	CNH 896	\$ 131	6/20/19	—@
JPMorgan Chase Bank NA	CNH 29,895	\$ 4,481	6/20/19	130
JPMorgan Chase Bank NA	CNH 475	\$ 71	6/20/19	2
JPMorgan Chase Bank NA	CNY 304	\$ 44	3/14/19	(—@)
JPMorgan Chase Bank NA	JPY 16,086	\$ 144	3/14/19	(4)
JPMorgan Chase Bank NA	NOK 321	\$ 37	3/28/19	(1)
JPMorgan Chase Bank NA	PHP 70,316	\$ 1,330	3/14/19	—@
JPMorgan Chase Bank NA	\$ 40	CHF 39	3/14/19	—@
JPMorgan Chase Bank NA	\$ 70	CNH 481	6/20/19	—@
JPMorgan Chase Bank NA	\$ 44	CNH 307	10/17/19	1
JPMorgan Chase Bank NA	\$ 2	CNH 17	3/14/19	—@
JPMorgan Chase Bank NA	\$ 620	CNH 4,271	10/17/19	1
JPMorgan Chase Bank NA	\$ 50	DKK 320	3/28/19	(—@)
JPMorgan Chase Bank NA	\$ 224	HKD 1,750	3/14/19	(—@)
JPMorgan Chase Bank NA	\$ 126	IDR 1,848,216	3/28/19	1
JPMorgan Chase Bank NA	\$ 87	INR 6,301	3/14/19	2
JPMorgan Chase Bank NA	\$ 738	JPY 81,564	3/28/19	11
JPMorgan Chase Bank NA	\$ 613	KRW 686,342	3/28/19	4
JPMorgan Chase Bank NA	\$ 499	MXN 10,166	3/14/19	13
JPMorgan Chase Bank NA	\$ 77	PHP 4,069	3/14/19	(—@)
JPMorgan Chase Bank NA	\$ 151	SEK 1,358	3/28/19	3
JPMorgan Chase Bank NA	ZAR 3,203	\$ 222	3/14/19	1
JPMorgan Chase Bank NA	CNH 44,798	\$ 6,384	10/17/19	(136)
JPMorgan Chase Bank NA	CNH 30,784	\$ 4,381	10/17/19	(99)
JPMorgan Chase Bank NA	\$ 118	ARS 4,927	1/24/19	9
JPMorgan Chase Bank NA	\$ 4,395	CNH 30,784	6/20/19	85
JPMorgan Chase Bank NA	\$ 309	CNH 2,183	10/17/19	8
Royal Bank of Canada	CAD 67	\$ 49	3/28/19	—@
Royal Bank of Canada	JPY 5,400	\$ 49	3/28/19	(—@)
Royal Bank of Canada	\$ 1,154	GBP 909	3/28/19	9
State Street Bank and Trust Co.	\$ 96	GBP 75	3/14/19	1
State Street Bank and Trust Co.	\$ 13	HKD 100	3/14/19	(—@)
UBS AG	AUD 527	\$ 375	3/28/19	3
UBS AG	DKK 415	\$ 64	3/14/19	(—@)
UBS AG	EUR 233	\$ 267	3/14/19	(2)
UBS AG	JPY 3,786	\$ 34	3/14/19	(1)
UBS AG	MXN 1,739	\$ 86	3/28/19	(1)
UBS AG	NOK 238	\$ 27	3/14/19	(—@)
UBS AG	SEK 291	\$ 33	3/14/19	(—@)
UBS AG	\$ 554	CAD 743	3/14/19	(9)
UBS AG	\$ 63	CHF 62	3/14/19	1
UBS AG	\$ 296	CHF 290	3/28/19	1
UBS AG	\$ 116	EUR 100	3/14/19	(—@)
UBS AG	\$ 912	GBP 719	3/14/19	7
UBS AG	\$ 108	SEK 975	3/14/19	2
				<u>\$136</u>

Consolidated Portfolio of Investments (cont'd)

Global Strategist Portfolio

Futures Contracts:

The Fund had the following futures contracts open at December 31, 2018:

	Number of Contracts	Expiration Date	Notional Amount (000)	Value (000)	Unrealized Appreciation (Depreciation) (000)
Long:					
100 oz Gold Future (United States)	10	Feb-19	1	\$ 1,281	\$ 52
CAC 40 Index (France)	1	Jan-19	—	54	(1)
DAX Index (Germany)	1	Mar-19	—	303	(8)
Euro Stoxx 50 (Germany)	129	Mar-19	1	4,396	(121)
FTSE MIB Index (Italy)	5	Mar-19	—	522	(15)
German Euro BTP (Germany)	3	Mar-19	300	439	2
German Euro Bund (Germany)	4	Mar-19	400	750	5
Hang Seng Index (Hong Kong)	3	Jan-19	—	495	3
IBEX 35 Index (Spain)	7	Jan-19	—	683	(21)
MSCI Emerging Market E Mini (United States)	50	Mar-19	3	2,417	(52)
MSCI Singapore Free Index (Singapore)	12	Jan-19	1	301	—@
NIKKEI 225 Index (United States)	8	Mar-19	4	723	(30)
S&P 500 E Mini Index (United States)	107	Mar-19	5	13,403	(469)
S&P TSE 60 Index (Canada)	7	Mar-19	1	879	(26)
SPI 200 Index (Australia)	5	Mar-19	—	490	2
U.S. Treasury 10 yr. Note (United States)	11	Mar-19	1,100	1,342	32
U.S. Treasury 10 yr. Ultra Long Bond (United States)	39	Mar-19	3,900	5,073	156
U.S. Treasury 2 yr. Note (United States)	17	Mar-19	3,400	3,609	24
U.S. Treasury Ultra Bond (United States)	2	Mar-19	200	321	17
Short:					
Euro OAT (Germany)	3	Mar-19	(300)	(518)	—@
German Euro BONO (Germany)	1	Mar-19	(100)	(166)	(2)
German Euro BTP (Germany)	15	Mar-19	(1,500)	(2,197)	(79)
German Euro BTP (Germany)	14	Mar-19	(1,400)	(2,623)	(20)
U.S. Treasury 10 yr. Ultra Long Bond (United States)	1	Mar-19	(100)	(130)	(4)
U.S. Treasury 5 yr. Note (United States)	27	Mar-19	(2,700)	(3,097)	(51)
U.S. Treasury Ultra Bond (United States)	16	Mar-19	(1,600)	(2,570)	(10)
					<u>\$(616)</u>

Interest Rate Swap Agreements:

The Fund had the following interest rate swap agreements open at December 31, 2018:

Swap Counterparty	Floating Rate Index	Pay/Receive Floating Rate	Fixed Rate	Payment Frequency Paid/Received	Maturity Date	Notional Amount (000)	Value (000)	Upfront Payment Paid (000)	Unrealized Appreciation (Depreciation) (000)
JPMorgan Chase Bank NA	3 Month KORIBOR	Pay	1.83%	Quarterly/Quarterly	6/14/27	\$ 510,000	\$ 1	\$—	\$ 1
Morgan Stanley & Co. LLC*	3 Month JIBAR	Pay	8.51	Quarterly/Quarterly	12/13/27	ZAR 11,841	23	—	23
Morgan Stanley & Co. LLC*	3 Month JIBAR	Pay	8.37	Quarterly/Quarterly	12/15/27	2,753	3	—	3
Morgan Stanley & Co. LLC*	3 Month JIBAR	Pay	7.88	Quarterly/Quarterly	1/4/28	1,784	(2)	—	(2)
Morgan Stanley & Co. LLC*	3 Month JIBAR	Pay	7.81	Quarterly/Quarterly	1/24/28	8,330	(10)	—	(10)
Morgan Stanley & Co. LLC*	3 Month JIBAR	Pay	7.71	Quarterly/Quarterly	4/26/28	3,083	(6)	—	(6)
Morgan Stanley & Co. LLC*	3 Month LIBOR	Receive	3.02	Semi-Annual/Quarterly	6/22/28	\$ 700	(18)	—	(18)
Morgan Stanley & Co. LLC*	3 Month JIBAR	Pay	8.34	Quarterly/Quarterly	6/27/28	ZAR 7,681	7	—	7
Morgan Stanley & Co. LLC*	3 Month LIBOR	Receive	3.21	Semi-Annual/Quarterly	12/3/48	\$ 400	(29)	—	(29)
							<u>\$(31)</u>	<u>\$—</u>	<u>\$(31)</u>

Consolidated Portfolio of Investments (cont'd)

Global Strategist Portfolio

Total Return Swap Agreements:

The Fund had the following total return swap agreements open at December 31, 2018:

Swap Counterparty	Index	Pay/Receive Total Return of Referenced Index	Floating Rate	Payment Frequency	Maturity Date	Notional Amount (000)	Value (000)	Upfront Payment Paid (000)	Unrealized Appreciation (Depreciation) (000)
Barclays Bank PLC	Barclays Canada Banks Index††	Pay	3 Month CDOR plus 0.00%	Quarterly	5/8/19	CAD1,337	\$ 39	\$—	\$ 39
Barclays Bank PLC	Barclays Canada Banks Index††	Pay	3 Month CDOR plus 0.00%	Quarterly	5/8/19	668	31	—	31
Barclays Bank PLC	Barclays Canada Banks Index††	Pay	3 Month CDOR plus 0.00%	Quarterly	5/8/19	926	44	—	44
Barclays Bank PLC	Barclays Custom Short Elevators Index††	Pay	3 Month USD LIBOR plus 0.25%	Quarterly	3/6/19	\$ 257	14	—	14
Barclays Bank PLC	Barclays Custom Short Elevators Index††	Pay	3 Month USD LIBOR plus 0.25%	Quarterly	3/6/19	88	5	—	5
Barclays Bank PLC	Barclays Custom Short Elevators Index††	Pay	3 Month USD LIBOR plus 0.25%	Quarterly	3/6/19	245	13	—	13
BNP Paribas SA	Alerian MLP Total Return Index	Receive	3 Month USD LIBOR plus 0.47%	Quarterly	5/30/19	160	(14)	—	(14)
BNP Paribas SA	Barclays Elevators Index††	Pay	3 Month USD LIBOR plus 0.27%	Quarterly	5/1/19	131	4	—	4
BNP Paribas SA	Barclays Elevators Index††	Pay	3 Month USD LIBOR plus 0.27%	Quarterly	5/1/19	251	7	—	7
BNP Paribas SA	Barclays Elevators Index††	Pay	3 Month USD LIBOR plus 0.03%	Quarterly	5/1/19	379	11	—	11
BNP Paribas SA	Barclays Elevators Index††	Pay	3 Month USD LIBOR plus 0.03%	Quarterly	5/1/19	424	12	—	12
BNP Paribas SA	Barclays Elevators Index††	Pay	3 Month USD LIBOR plus 0.20%	Quarterly	5/1/19	890	25	—	25
BNP Paribas SA	MSCI Emerging Market Index	Receive	3 Month USD LIBOR plus 0.62%	Quarterly	1/24/19	7,322	(53)	—	(53)
BNP Paribas SA	MSCI U.S. Banks Gross Total Return Index	Pay	3 Month USD LIBOR plus 0.14%	Quarterly	6/14/19	122	5	—	5
BNP Paribas SA	MSCI U.S. Banks Gross Total Return Index	Pay	3 Month USD LIBOR plus 0.14%	Quarterly	6/14/19	406	17	—	17
BNP Paribas SA	MSCI U.S. Banks Gross Total Return Index	Pay	3 Month USD LIBOR plus 0.14%	Quarterly	6/14/19	197	8	—	8
BNP Paribas SA	MSCI U.S. Banks Gross Total Return Index	Pay	3 Month USD LIBOR plus 0.14%	Quarterly	6/14/19	141	6	—	6
Goldman Sachs & Co.	MSCI China Gross Total Return Index	Pay	3 Month USD LIBOR plus 0.10%	Quarterly	11/14/19	606	7	—	7
Goldman Sachs & Co.	MSCI China Gross Total Return Index	Pay	3 Month USD LIBOR plus 0.10%	Quarterly	11/14/19	460	14	—	14
JPMorgan Chase Bank NA	Alerian MLP Total Return Index	Receive	3 Month USD LIBOR plus 0.48%	Quarterly	5/30/19	507	(45)	—	(45)
JPMorgan Chase Bank NA	JPM Custom Long U.S. Defensives Index††	Receive	3 Month USD LIBOR plus 0.55%	Quarterly	11/20/19	612	(35)	—	(35)
JPMorgan Chase Bank NA	JPM Custom Short U.S. Cyclical Index††	Pay	3 Month USD LIBOR plus 0.38%	Quarterly	11/20/19	651	59	—	59
JPMorgan Chase Bank NA	MSCI Japan Net Total Return Index	Receive	3 Month USD LIBOR plus 0.25%	Quarterly	2/8/19	5,533	(389)	—	(389)
							<u>\$(215)</u>	<u>\$—</u>	<u>\$(215)</u>

†† See tables below for details of the equity basket holdings underlying the swap.

Consolidated Portfolio of Investments (cont'd)

Global Strategist Portfolio

The following table represents the equity basket holdings underlying the total return swap with Barclays Canada Banks Index as of December 31, 2018:

Security Description	Shares	Value (000)	Index Weight
Barclays Canada Banks Index			
Bank of Montreal	649	\$ 42	12.46%
Bank of Nova Scotia (The)	1,199	60	17.56
Canadian Imperial Bank of Commerce	436	33	9.54
National Bank of Canada	340	14	4.10
Royal Bank of Canada	1,458	100	29.32
Toronto-Dominion Bank (The)	1,849	92	27.02
Total		<u>\$341</u>	<u>100.00%</u>

The following table represents the equity basket holdings underlying the total return swap with Barclays Custom Short Elevators Index as of December 31, 2018:

Security Description	Shares	Value (000)	Index Weight
Barclays Custom Short Elevators Index			
Fujitec Co., Ltd.	27,700	\$ 298	2.09%
Kone Oyj	157,078	7,490	52.48
Schindler Holding AG	31,545	6,249	43.79
Yungtay Engineering Co., Ltd.	121,000	234	1.64
Total		<u>\$14,271</u>	<u>100.00%</u>

The following table represents the equity basket holdings underlying the total return swap with Barclays Elevators Index†† as of December 31, 2018:

Security Description	Shares	Value (000)	Index Weight
Barclays Elevators Index††			
Brunello Cucinelli SpA	94	\$ 3	0.40%
Burberry Group PLC	1,174	26	3.21
Christian Dior SE	65	25	3.05
Cie Financiere Richemont SA	1,578	101	12.49
Hermes International	87	48	5.98
Hugo Boss AG	194	12	1.48
Kering SA	347	164	20.21
LVMH Moet Hennessy Louis Vuitton SE	1,046	309	38.20
Moncler SpA	700	23	2.86
Puma SE	29	14	1.75
Salvatore Ferragamo SpA	465	9	1.16
Swatch Group AG (The)	151	44	5.42
Tapestry, Inc.	782	26	3.26
Tod's SpA	91	4	0.53
Total		<u>\$808</u>	<u>100.00%</u>

The following table represents the equity basket holdings underlying the total return swap with JPM Custom Long U.S. Defensives Index as of December 31, 2018:

Security Description	Shares	Value (000)	Index Weight
JPM Custom Long U.S. Defensives Index			
Abbott Laboratories	1,407	\$ 102	1.03%
AbbVie, Inc.	1,291	119	1.20
AES Corp.	2,315	33	0.34
Agilent Technologies, Inc.	260	18	0.18
Alexion Pharmaceuticals, Inc.	181	18	0.18
Align Technology, Inc.	58	12	0.12
Allergan PLC	271	36	0.37
Alliant Energy Corp.	810	34	0.35
Altria Group, Inc.	2,694	133	1.34
Ameren Corp.	851	56	0.56
American Electric Power Co., Inc.	1,724	129	1.30
American Water Works Co., Inc.	625	57	0.57
AmerisourceBergen Corp.	131	10	0.10
Amgen, Inc.	591	115	1.16
Anthem, Inc.	213	56	0.57
Archer-Daniels-Midland Co.	790	32	0.33
AT&T, Inc.	38,194	1,090	11.01
Baxter International, Inc.	406	27	0.27
Becton Dickinson and Co.	214	48	0.49
Biogen, Inc.	171	51	0.52
Boston Scientific Corp.	1,111	39	0.40
Bristol-Myers Squibb Co.	1,328	69	0.70
Brown-Forman Corp.	344	16	0.17
Campbell Soup Co.	272	9	0.09
Cardinal Health, Inc.	256	11	0.12
Celgene Corp.	634	41	0.41
Centene Corp.	140	16	0.16
CenterPoint Energy, Inc.	1,511	43	0.43
CenturyLink, Inc.	6,044	92	0.92
Cerner Corp.	255	13	0.14
Church & Dwight Co., Inc.	350	23	0.23
Cigna Corp.	318	60	0.61
Clorox Co. (The)	181	28	0.28
CMS Energy Corp.	989	49	0.50
Coca-Cola Co. (The)	5,391	255	2.58
Colgate-Palmolive Co.	1,237	74	0.74
Conagra Brands, Inc.	584	12	0.13
Consolidated Edison, Inc.	1,086	83	0.84
Constellation Brands, Inc.	241	39	0.39
Cooper Cos, Inc. (The)	40	10	0.10
Costco Wholesale Corp.	616	125	1.27
Coty, Inc.	662	4	0.04
CVS Health Corp.	1,653	108	1.09
Danaher Corp.	495	51	0.52
DaVita, Inc.	124	6	0.06
Dentsply Sirona, Inc.	186	7	0.07
Dominion Energy, Inc.	2,253	161	1.63
DTE Energy Co.	629	69	0.70

Consolidated Portfolio of Investments (cont'd)

Global Strategist Portfolio

Security Description	Shares	Value (000)	Index Weight	Security Description	Shares	Value (000)	Index Weight
JPM Custom Long U.S. Defensives Index (cont'd)				JPM Custom Long U.S. Defensives Index (cont'd)			
Duke Energy Corp.	2,454	\$ 212	2.14%	Procter & Gamble Co. (The)	3,581	\$ 329	3.33%
Edison International	1,142	65	0.65	Public Service Enterprise Group, Inc.	1,774	92	0.93
Edwards Lifesciences Corp.	171	26	0.26	Quest Diagnostics, Inc.	110	9	0.09
Eli Lilly & Co.	785	91	0.92	Regeneron Pharmaceuticals, Inc.	62	23	0.24
Entergy Corp.	629	54	0.55	ResMed, Inc.	115	13	0.13
Estee Lauder Cos, Inc. (The)	314	41	0.41	SCANA Corp.	501	24	0.24
Eversource Energy	1,111	72	0.73	Sempra Energy	880	95	0.96
Exelon Corp.	3,366	152	1.53	Southern Co. (The)	3,504	154	1.56
FirstEnergy Corp.	1,558	59	0.59	Stryker Corp.	261	41	0.42
General Mills, Inc.	810	32	0.32	Sysco Corp.	682	43	0.43
Gilead Sciences, Inc.	1,058	66	0.67	Thermo Fisher Scientific, Inc.	324	73	0.73
HCA Healthcare, Inc.	234	29	0.29	Tyson Foods, Inc.	406	22	0.22
Henry Schein, Inc.	129	10	0.10	UnitedHealth Group, Inc.	783	195	1.97
Hershey Co. (The)	198	21	0.21	Universal Health Services, Inc.	72	8	0.08
Hologic, Inc.	227	9	0.09	Varian Medical Systems, Inc.	74	8	0.08
Hormel Foods Corp.	379	16	0.16	Verizon Communications, Inc.	25,376	1,427	14.41
Humana, Inc.	117	34	0.34	Vertex Pharmaceuticals, Inc.	204	34	0.34
IDEXX Laboratories, Inc.	71	13	0.13	Walgreens Boots Alliance, Inc.	1,219	83	0.84
Illumina, Inc.	118	35	0.36	Walmart, Inc.	2,056	192	1.94
Incyte Corp.	138	9	0.09	Waters Corp.	65	12	0.13
Intuitive Surgical, Inc.	91	44	0.44	WEC Energy Group, Inc.	1,106	77	0.78
IQVIA Holdings, Inc.	123	14	0.14	Xcel Energy, Inc.	1,780	88	0.89
JM Smucker Co. (The)	160	15	0.15	Zimmer Biomet Holdings, Inc.	164	17	0.17
Johnson & Johnson	2,174	281	2.83	Zoetis, Inc.	398	34	0.34
Kellogg Co.	349	20	0.20	Total		<u>\$9,902</u>	<u>100.00%</u>
Keurig Dr. Pepper, Inc.	255	7	0.07				
Kimberly-Clark Corp.	496	57	0.57				
Kraft Heinz Co. (The)	838	36	0.36				
Kroger Co. (The)	1,260	35	0.35				
Laboratory Corporation of America Holdings	82	10	0.10				
McCormick & Co., Inc.	167	23	0.23				
McKesson Corp.	170	19	0.19				
Medtronic PLC	1,097	100	1.01				
Merck & Co., Inc.	2,215	169	1.71				
Mettler-Toledo International, Inc.	21	12	0.12				
Molson Coors Brewing Co.	259	15	0.15				
Mondelez International, Inc.	2,117	85	0.86				
Monster Beverage Corp.	582	29	0.29				
Mylan N.V.	434	12	0.12				
NextEra Energy, Inc.	1,641	285	2.88				
NiSource, Inc.	1,143	29	0.29				
NRG Energy, Inc.	1,054	42	0.42				
Patterson Cos, Inc.	67	1	0.01				
PepsiCo, Inc.	2,006	222	2.24				
PerkinElmer, Inc.	89	7	0.07				
Perrigo Co., PLC	107	4	0.04				
Pfizer, Inc.	4,834	211	2.13				
PG&E Corp.	1,798	43	0.43				
Philip Morris International, Inc.	2,181	146	1.47				
Pinnacle West Capital Corp.	391	33	0.34				
PPL Corp.	2,395	68	0.69				

The following table represents the equity basket holdings underlying the total return swap with JPM Custom Short U.S. Cyclical Index as of December 31, 2018:

Security Description	Shares	Value (000)	Index Weight
JPM Custom Short U.S. Cyclical Index			
3M Co.	696	\$ 133	1.40%
Accenture PLC	286	40	0.43
Activision Blizzard, Inc.	350	16	0.17
Acuity Brands, Inc.	49	6	0.06
Adobe Systems, Inc.	229	52	0.55
Advance Auto Parts, Inc.	72	11	0.12
Advanced Micro Devices, Inc.	373	7	0.07
Air Products & Chemicals, Inc.	897	144	1.52
Akamai Technologies, Inc.	79	5	0.05
Alaska Air Group, Inc.	144	9	0.09
Albemarle Corp.	455	35	0.37
Allegion PLC	111	9	0.09
Alliance Data Systems Corp.	22	3	0.03
Alphabet, Inc.	140	145	1.53
Alphabet, Inc.	138	144	1.53
Amazon.com, Inc.	390	586	6.20
American Airlines Group, Inc.	506	16	0.17
AMETEK, Inc.	269	18	0.19

Consolidated Portfolio of Investments (cont'd)

Global Strategist Portfolio

Security Description	Shares	Value (000)	Index Weight	Security Description	Shares	Value (000)	Index Weight
JPM Custom Short U.S. Cyclical Index (cont'd)				JPM Custom Short U.S. Cyclical Index (cont'd)			
Amphenol Corp.	141	\$ 11	0.12%	Eaton Corp., PLC	519	\$ 36	0.38%
Analog Devices, Inc.	170	15	0.15	eBay, Inc.	461	13	0.14
ANSYS, Inc.	39	6	0.06	Ecolab, Inc.	1,072	158	1.67
AO Smith Corp.	171	7	0.08	Electronic Arts, Inc.	143	11	0.12
Apergy Corp.	91	2	0.03	Emerson Electric Co.	747	45	0.47
Apple, Inc.	2,392	377	3.99	Equifax, Inc.	140	13	0.14
Applied Materials, Inc.	494	16	0.17	Expedia Group, Inc.	120	14	0.14
Aptiv PLC	261	16	0.17	Expeditors International of Washington, Inc.	211	14	0.15
Arconic, Inc.	493	8	0.09	F5 Networks, Inc.	29	5	0.05
Autodesk, Inc.	102	13	0.14	Facebook, Inc.	1,098	144	1.52
Automatic Data Processing, Inc.	206	27	0.29	Fastenal Co.	336	18	0.19
AutoZone, Inc.	27	23	0.24	FedEx Corp.	288	46	0.49
Avery Dennison Corp.	364	33	0.35	Fidelity National Information Services, Inc.	154	16	0.17
Ball Corp.	1,448	67	0.70	Fiserv, Inc.	194	14	0.15
Best Buy Co., Inc.	260	14	0.15	FLIR Systems, Inc.	64	3	0.03
Boeing Co. (The)	648	209	2.21	Flowserve Corp.	152	6	0.06
Booking Holdings, Inc.	48	83	0.88	Fluor Corp.	163	5	0.06
BorgWarner, Inc.	194	7	0.07	FMC Corp.	552	41	0.43
Broadcom, Inc.	188	48	0.51	Foot Locker, Inc.	121	6	0.07
Cadence Design Systems, Inc.	130	6	0.06	Ford Motor Co.	3,829	29	0.31
Capri Holdings, Ltd.	148	6	0.06	Fortive Corp.	356	24	0.25
CarMax, Inc.	179	11	0.12	Fortune Brands Home & Security, Inc.	180	7	0.07
Carnival Corp.	399	20	0.21	Freeport-McMoRan, Inc.	5,539	57	0.60
Caterpillar, Inc.	690	88	0.93	Gap, Inc. (The)	215	6	0.06
CBS Corp.	356	16	0.16	Garmin Ltd.	109	7	0.07
CF Industries Holdings, Inc.	960	42	0.44	Garrett Motion, Inc.	89	1	0.01
CH Robinson Worldwide, Inc.	164	14	0.15	Gartner, Inc.	42	5	0.06
Charter Communications, Inc.	197	56	0.59	General Dynamics Corp.	325	51	0.54
Chipotle Mexican Grill, Inc.	25	11	0.11	General Electric Co.	10,102	76	0.81
Cintas Corp.	100	17	0.18	General Motors Co.	1,284	43	0.45
Cisco Systems, Inc.	2,316	100	1.06	Genuine Parts Co.	144	14	0.15
Citrix Systems, Inc.	67	7	0.07	Global Payments, Inc.	71	7	0.08
Cognizant Technology Solutions Corp.	274	17	0.18	Goodyear Tire & Rubber Co. (The)	246	5	0.05
Comcast Corp.	4,605	157	1.66	H&R Block, Inc.	205	5	0.06
Corning, Inc.	418	13	0.13	Hanesbrands, Inc.	357	4	0.05
CSX Corp.	1,066	66	0.70	Harley-Davidson, Inc.	167	6	0.06
Cummins, Inc.	184	25	0.26	Harris Corp.	55	7	0.08
Darden Restaurants, Inc.	123	12	0.13	Hasbro, Inc.	111	9	0.10
Deere & Co.	373	56	0.59	Hewlett Packard Enterprise Co.	761	10	0.11
Delphi Technologies PLC	87	1	0.01	Hilton Worldwide Holdings, Inc.	200	14	0.15
Delta Air Lines, Inc.	777	39	0.41	Home Depot, Inc. (The)	1,154	198	2.10
Discovery, Inc.	199	5	0.05	Honeywell International, Inc.	889	117	1.24
Discovery, Inc.	151	4	0.04	HP, Inc.	774	16	0.17
DISH Network Corp.	223	6	0.06	IHS Markit Ltd.	424	20	0.22
Dollar General Corp.	255	28	0.29	Illinois Tool Works, Inc.	361	46	0.48
Dollar Tree, Inc.	232	21	0.22	Ingersoll-Rand PLC	296	27	0.29
Dover Corp.	182	13	0.14	Intel Corp.	2,176	102	1.08
DowDuPont, Inc.	9,605	514	5.44	International Business Machines Corp.	401	46	0.48
DR Horton, Inc.	333	12	0.12	International Flavors & Fragrances, Inc.	325	44	0.46
DXC Technology Co.	132	7	0.07	International Paper Co.	1,700	69	0.73
Eastman Chemical Co.	596	44	0.46	Interpublic Group of Cos, Inc. (The)	385	8	0.08

Consolidated Portfolio of Investments (cont'd)

Global Strategist Portfolio

Security Description	Shares	Value (000)	Index Weight	Security Description	Shares	Value (000)	Index Weight
JPM Custom Short U.S. Cyclical Index (cont'd)				JPM Custom Short U.S. Cyclical Index (cont'd)			
Intuit, Inc.	113	\$ 22	0.24%	Packaging Corp. of America	388	\$ 32	0.34%
Jacobs Engineering Group, Inc.	140	8	0.09	Parker-Hannifin Corp.	155	23	0.24
JB Hunt Transport Services, Inc.	100	9	0.10	Paychex, Inc.	148	10	0.10
Johnson Controls International PLC	1,088	32	0.34	PayPal Holdings, Inc.	523	44	0.47
Juniper Networks, Inc.	176	5	0.05	Pentair PLC	193	7	0.08
Kansas City Southern	123	12	0.12	Perspecta, Inc.	66	1	0.01
KLA-Tencor Corp.	73	7	0.07	PPG Industries, Inc.	1,056	108	1.14
Kohl's Corp.	165	11	0.12	PulteGroup, Inc.	272	7	0.07
L Brands, Inc.	244	6	0.07	PVH Corp.	76	7	0.07
L3 Technologies, Inc.	91	16	0.17	Qorvo, Inc.	59	4	0.04
Lam Research Corp.	75	10	0.11	QUALCOMM, Inc.	684	39	0.41
Leggett & Platt, Inc.	130	5	0.05	Quanta Services, Inc.	176	5	0.06
Lennar Corp.	199	8	0.08	Ralph Lauren Corp.	54	6	0.06
Lennar Corp.	4	—@	—@@	Raytheon Co.	339	52	0.55
LKQ Corp.	302	7	0.08	Red Hat, Inc.	82	14	0.15
Lockheed Martin Corp.	292	76	0.81	Republic Services, Inc.	267	19	0.20
Lowe's Cos, Inc.	827	76	0.81	Resideo Technologies, Inc.	148	3	0.03
LyondellBasell Industries N.V.	1,336	111	1.18	Robert Half International, Inc.	147	8	0.09
Macy's, Inc.	298	9	0.09	Rockwell Automation, Inc.	150	23	0.24
Marriott International (The)	306	33	0.35	Roper Technologies, Inc.	119	32	0.34
Martin Marietta Materials, Inc.	259	45	0.47	Ross Stores, Inc.	381	32	0.34
Masco Corp.	372	11	0.12	Royal Caribbean Cruises Ltd.	168	16	0.17
Mastercard, Inc.	432	81	0.86	salesforce.com, Inc.	316	43	0.46
Mattel, Inc.	336	3	0.04	Seagate Technology PLC	133	5	0.05
McDonald's Corp.	793	141	1.49	Sealed Air Corp.	782	27	0.29
MGM Resorts International	507	12	0.13	Sherwin-Williams Co. (The)	338	133	1.41
Microchip Technology, Inc.	108	8	0.08	Signet Jewelers Ltd.	59	2	0.02
Micron Technology, Inc.	516	16	0.17	Skyworks Solutions, Inc.	85	6	0.06
Microsoft Corp.	3,567	362	3.83	Snap-on, Inc.	67	10	0.10
Mohawk Industries, Inc.	62	7	0.08	Southwest Airlines Co.	642	30	0.32
Mosaic Co. (The)	1,445	42	0.45	Stanley Black & Decker, Inc.	179	21	0.23
Motorola Solutions, Inc.	75	9	0.09	Starbucks Corp.	1,414	91	0.96
NetApp, Inc.	125	7	0.08	Stericycle, Inc.	100	4	0.04
Netflix, Inc.	423	113	1.20	Symantec Corp.	285	5	0.06
Newell Brands, Inc.	480	9	0.09	Synopsys, Inc.	70	6	0.06
Newmont Mining Corp.	2,195	76	0.81	Tapestry, Inc.	277	9	0.10
News Corp.	374	4	0.04	Target Corp.	535	35	0.37
News Corp.	119	1	0.01	TE Connectivity Ltd.	164	12	0.13
Nielsen Holdings PLC	392	9	0.10	Texas Instruments, Inc.	459	43	0.46
NIKE, Inc.	1,286	95	1.01	Textron, Inc.	309	14	0.15
Nordstrom, Inc.	114	5	0.06	Tiffany & Co.	100	8	0.09
Norfolk Southern Corp.	336	50	0.53	TJX Cos, Inc. (The)	1,246	56	0.59
Northrop Grumman Corp.	203	50	0.53	Total System Services, Inc.	78	6	0.07
Norwegian Cruise Line Holdings Ltd.	174	7	0.08	Tractor Supply Co.	124	10	0.11
Nucor Corp.	1,315	68	0.72	TransDigm Group, Inc.	56	19	0.20
nVent Electric PLC	193	4	0.05	TripAdvisor, Inc.	106	6	0.06
NVIDIA Corp.	278	37	0.39	Twenty-First Century Fox, Inc.	1,030	50	0.52
Omnicom Group, Inc.	226	17	0.18	Twenty-First Century Fox, Inc.	430	21	0.22
Oracle Corp.	1,399	63	0.67	Ulta Beauty, Inc.	57	14	0.15
O'Reilly Automotive, Inc.	86	30	0.31	Under Armour, Inc.	181	3	0.03
PACCAR, Inc.	410	23	0.25	Under Armour, Inc.	182	3	0.03

Consolidated Portfolio of Investments (cont'd)

Global Strategist Portfolio

Security Description	Shares	Value (000)	Index Weight
JPM Custom Short U.S. Cyclical Index (cont'd)			
Union Pacific Corp.	934	\$ 129	1.37%
United Continental Holdings, Inc.	302	25	0.27
United Parcel Service, Inc.	804	78	0.83
United Rentals, Inc.	99	10	0.11
United Technologies Corp.	867	92	0.98
VeriSign, Inc.	40	6	0.06
Verisk Analytics, Inc.	181	20	0.21
VF Corp.	320	23	0.24
Viacom, Inc.	345	9	0.09
Visa, Inc.	847	112	1.18
Vulcan Materials Co.	545	54	0.57
Walt Disney Co. (The)	1,511	166	1.75
Waste Management, Inc.	472	42	0.44
Western Digital Corp.	137	5	0.06
Western Union Co. (The)	215	4	0.04
WestRock Co.	1,046	39	0.42
Whirlpool Corp.	71	8	0.08
WW Grainger, Inc.	61	17	0.18
Wyndham Destinations, Inc.	101	4	0.04
Wyndham Hotels & Resorts, Inc.	101	5	0.05
Wynn Resorts Ltd.	78	8	0.08
Xerox Corp.	99	2	0.02
Xilinx, Inc.	115	10	0.11
Xylem, Inc. (NY)	210	14	0.15
Yum! Brands, Inc.	338	31	0.33
Total		<u>\$9,448</u>	<u>100.00%</u>

@ Value is less than \$500.

@@ Index weight is less than 0.005%.

* Cleared swap agreement, the broker is Morgan Stanley & Co. LLC.

CDOR Canadian Dealer Offered Rate.

KORIBOR Korea Interbank Offered Rate.

LIBOR London Interbank Offered Rate.

OAT Obligations Assimilables du Trésor (French Treasury Obligation).

ARS — Argentine Peso

AUD — Australian Dollar

BRL — Brazilian Real

CAD — Canadian Dollar

CHF — Swiss Franc

CLP — Chilean Peso

CNH — Chinese Yuan Renminbi Offshore

CNY — Chinese Yuan Renminbi

CZK — Czech Koruna

DKK — Danish Krone

EUR — Euro

GBP — British Pound

HKD — Hong Kong Dollar

HUF — Hungarian Forint

IDR — Indonesian Rupiah

ILS — Israeli Shekel

INR	— Indian Rupee
JPY	— Japanese Yen
KRW	— South Korean Won
MXN	— Mexican Peso
MYR	— Malaysian Ringgit
NOK	— Norwegian Krone
NZD	— New Zealand Dollar
PHP	— Philippine Peso
PLN	— Polish Zloty
RUB	— Russian Ruble
SEK	— Swedish Krona
SGD	— Singapore Dollar
THB	— Thai Baht
TRY	— Turkish Lira
TWD	— Taiwan Dollar
USD	— United States Dollar
ZAR	— South African Rand

Portfolio Composition

Classification	Percentage of Total Investments
Fixed Income Securities	56.2%
Common Stocks	29.4
Short-Term Investments	11.6
Other**	2.8
Total Investments	<u>100.0%***</u>

** Industries and/or investment types representing less than 5% of total investments.

*** Does not include open long/short futures contracts with a value of approximately \$48,782,000 and net unrealized depreciation of approximately \$616,000. Does not include open foreign currency forward exchange contracts with net unrealized appreciation of approximately \$136,000. Also does not include open swap agreements with net unrealized depreciation of approximately \$246,000.

Global Strategist Portfolio

Consolidated Statement of Assets and Liabilities

December 31, 2018
(000)**Assets:**

Investments in Securities of Unaffiliated Issuers, at Value (Cost \$90,851)	\$ 93,917
Investment in Security of Affiliated Issuer, at Value (Cost \$9,036)	9,036
Total Investments in Securities, at Value (Cost \$99,887)	102,953
Foreign Currency, at Value (Cost \$189)	182
Cash	10
Receivable for Variation Margin on Futures Contracts	1,925
Receivable for Investments Sold	1,418
Unrealized Appreciation on Foreign Currency Forward Exchange Contracts	753
Interest Receivable	516
Unrealized Appreciation on Swap Agreements	322
Tax Reclaim Receivable	121
Dividends Receivable	49
Receivable for Swap Agreements Termination	47
Receivable from Affiliate	17
Receivable for Variation Margin on Swap Agreements	6
Other Assets	12
Total Assets	108,331

Liabilities:

Payable for Investments Purchased	1,898
Unrealized Depreciation on Foreign Currency Forward Exchange Contracts	617
Unrealized Depreciation on Swap Agreements	536
Due to Broker	320
Payable for Professional Fees	109
Payable for Fund Shares Redeemed	98
Payable for Custodian Fees	55
Payable for Servicing Fees	33
Payable for Advisory Fees	30
Payable for Administration Fees	7
Payable for Transfer Agency Fees	3
Payable for Directors' Fees and Expenses	3
Payable for Distribution Fees — Class II Shares	1
Deferred Capital Gain Country Tax	1
Other Liabilities	39
Total Liabilities	3,750

NET ASSETS \$104,581**Net Assets consist of:**

Paid-in-Capital	\$ 96,216
Total Distributable Earnings	8,365
Net Assets	\$104,581

CLASS I:**Net Assets** \$ 87,675**Net Asset Value, Offering and Redemption Price Per Share** Applicable to 8,904,179 Outstanding

\$0.001 Par Value Shares (Authorized 500,000,000 Shares) \$ 9.85

CLASS II:**Net Assets** \$ 16,906**Net Asset Value, Offering and Redemption Price Per Share** Applicable to 1,726,093 Outstanding

\$0.001 Par Value Shares (Authorized 500,000,000 Shares) \$ 9.79

Global Strategist Portfolio

Consolidated Statement of Operations

Year Ended
December 31, 2018
(000)

Investment Income:	
Interest from Securities of Unaffiliated Issuers (Net of \$1 of Foreign Taxes Withheld)	\$ 1,564
Dividends from Securities of Unaffiliated Issuers (Net of \$72 of Foreign Taxes Withheld)	1,113
Dividends from Security of Affiliated Issuer (Note H)	138
Total Investment Income	2,815
Expenses:	
Advisory Fees (Note B)	891
Custodian Fees (Note G)	208
Servicing Fees (Note D)	183
Professional Fees	182
Administration Fees (Note C)	95
Pricing Fees	89
Distribution Fees — Class II Shares (Note E)	49
Shareholder Reporting Fees	27
Transfer Agency Fees (Note F)	11
Directors' Fees and Expenses	7
Other Expenses	19
Total Expenses	1,761
Waiver of Advisory Fees (Note B)	(641)
Waiver of Distribution Fees — Class II Shares (Note E)	(30)
Rebate from Morgan Stanley Affiliate (Note H)	(14)
Net Expenses	1,076
Net Investment Income	1,739
Realized Gain (Loss):	
Investments Sold (Net of \$53 of Capital Gain Country Tax)	7,472
Foreign Currency Forward Exchange Contracts	(81)
Foreign Currency Translation	660
Futures Contracts	(336)
Swap Agreements	(2,041)
Net Realized Gain	5,674
Change in Unrealized Appreciation (Depreciation):	
Investments (Net Increase in Deferred Capital Gain Country Tax of \$ —@)	(13,562)
Foreign Currency Forward Exchange Contracts	(3)
Foreign Currency Translation	(19)
Futures Contracts	(954)
Swap Agreements	(260)
Net Change in Unrealized Appreciation (Depreciation)	(14,798)
Net Realized Gain and Change in Unrealized Appreciation (Depreciation)	(9,124)
Net Decrease in Net Assets Resulting from Operations	\$ (7,385)

@ Amount is less than \$500.

Global Strategist Portfolio

Consolidated Statements of Changes in Net Assets

	Year Ended December 31, 2018 (000)	Year Ended December 31, 2017 (000)
Increase (Decrease) in Net Assets:		
Operations:		
Net Investment Income	\$ 1,739	\$ 2,328
Net Realized Gain	5,674	5,987
Net Change in Unrealized Appreciation (Depreciation)	(14,798)	10,571
Net Increase (Decrease) in Net Assets Resulting from Operations	(7,385)	18,886
Dividends and Distributions to Shareholders:		
Class I	(5,524)	(2,730)*
Class II	(1,097)	(545)*
Total Dividends and Distributions to Shareholders	(6,621)	(3,275)
Capital Share Transactions:⁽¹⁾		
Class I:		
Subscribed	2,653	3,781
Distributions Reinvested	5,524	2,730
Redeemed	(15,824)	(16,623)
Class II:		
Subscribed	431	572
Distributions Reinvested	1,097	545
Redeemed	(4,009)	(3,959)
Net Decrease in Net Assets Resulting from Capital Share Transactions	(10,128)	(12,954)
Total Increase (Decrease) in Net Assets	(24,134)	2,657
Net Assets:		
Beginning of Period	128,715	126,058
End of Period	\$104,581	\$128,715†

⁽¹⁾ **Capital Share Transactions:**

Class I:		
Shares Subscribed	242	356
Shares Issued on Distributions Reinvested	529	262
Shares Redeemed	(1,459)	(1,582)
Net Decrease in Class I Shares Outstanding	(688)	(964)
Class II:		
Shares Subscribed	40	54
Shares Issued on Distributions Reinvested	105	53
Shares Redeemed	(374)	(378)
Net Decrease in Class II Shares Outstanding	(229)	(271)

The following information was previously reported in the December 31, 2017 financial statements. The distribution information for the year ended December 31, 2017 presented on the Consolidated Statements of Changes in Net Assets is presented for comparative purposes to the December 31, 2018 consolidated financial statements, which conform to the SEC Final Rule on Disclosure Update and Simplification which was effective November 5, 2018.

* Dividends and Distributions to Shareholders for the year ended December 31, 2017 were as follows:

Class I:	
Net Investment Income	\$ (1,191)
Net Realized Gain	\$ (1,539)
Class II:	
Net Investment Income	\$ (225)
Net Realized Gain	\$ (320)

† Accumulated Undistributed Net Investment Income for the year ended December 31, 2017 was \$1,273.

Consolidated Financial Highlights

Global Strategist Portfolio

Selected Per Share Data and Ratios	Class I				
	Year Ended December 31,				
	2018	2017	2016 ⁽¹⁾	2015 ⁽²⁾	2014 ⁽²⁾
Net Asset Value, Beginning of Period	\$11.17	\$9.87	\$9.39	\$10.28	\$11.06
Income (Loss) from Investment Operations:					
Net Investment Income ⁽³⁾	0.16	0.20	0.15	0.17	0.20
Net Realized and Unrealized Gain (Loss)	(0.86)	1.38	0.37	(0.81)	0.06
Total from Investment Operations	(0.70)	1.58	0.52	(0.64)	0.26
Distributions from and/or in Excess of:					
Net Investment Income	(0.13)	(0.12)	—	(0.17)	(0.09)
Net Realized Gain	(0.49)	(0.16)	(0.04)	(0.08)	(0.95)
Total Distributions	(0.62)	(0.28)	(0.04)	(0.25)	(1.04)
Net Asset Value, End of Period	\$9.85	\$11.17	\$9.87	\$9.39	\$10.28
Total Return⁽⁴⁾	(6.50)%	16.11%	5.58%	(6.39)%	2.15%
Ratios and Supplemental Data:					
Net Assets, End of Period (Thousands)	\$87,675	\$107,015	\$104,197	\$119,248	\$150,001
Ratio of Expenses to Average Net Assets ⁽⁷⁾	0.89% ⁽⁵⁾	0.88% ⁽⁵⁾	0.88% ⁽⁵⁾	0.69% ⁽⁵⁾⁽⁶⁾	0.56% ⁽⁵⁾
Ratio of Net Investment Income to Average Net Assets ⁽⁷⁾	1.48% ⁽⁵⁾	1.85% ⁽⁵⁾	1.54% ⁽⁵⁾	1.73% ⁽⁵⁾	1.86% ⁽⁵⁾
Ratio of Rebate from Morgan Stanley Affiliates to Average Net Assets	0.01%	0.02%	0.02%	0.03%	0.04%
Portfolio Turnover Rate	85%	99%	105%	146%	82%
⁽⁷⁾ Supplemental Information on the Ratios to Average Net Assets:					
Ratios Before Expense Limitation:					
Expenses to Average Net Assets	1.44%	1.42%	1.43%	1.47%	1.42%
Net Investment Income to Average Net Assets	0.93%	1.31%	0.99%	0.95%	1.00%

(1) Reflects prior period Custodian out-of-pocket expenses that were reimbursed in September 2016. The amount of the reimbursement was immaterial on a per share basis and did not impact the total return of Class I shares. The Ratio of Expenses to Average Net Assets and the Ratio of Net Investment Income to Average Net Assets would be unchanged as the reimbursement of Custodian fees was offset against expense waivers/reimbursements with no impact to net expenses or net investment income.

(2) Not consolidated.

(3) Per share amount is based on average shares outstanding.

(4) Calculated based on the net asset value as of the last business day of the period. Performance does not reflect fees and expenses imposed by your insurance company's separate account. If performance information included the effect of these additional charges, the total return would be lower.

(5) The Ratios of Expenses and Net Investment Income reflect the rebate of certain Fund expenses in connection with the investments in Morgan Stanley affiliates during the period. The effect of the rebate on the ratios is disclosed in the above table as "Ratio of Rebate from Morgan Stanley Affiliates to Average Net Assets."

(6) Effective August 1, 2015, the Adviser has agreed to limit the ratio of expenses to average net assets to the maximum ratio of 0.90% for Class I shares. Prior to August 1, 2015, the maximum ratio was 0.60% for Class I shares.

Consolidated Financial Highlights

Global Strategist Portfolio

Selected Per Share Data and Ratios	Class II				
	Year Ended December 31,				
	2018	2017	2016 ⁽¹⁾	2015 ⁽²⁾	2014 ⁽²⁾
Net Asset Value, Beginning of Period	\$11.11	\$9.82	\$9.35	\$10.24	\$11.03
Income (Loss) from Investment Operations:					
Net Investment Income ⁽³⁾	0.15	0.18	0.14	0.16	0.19
Net Realized and Unrealized Gain (Loss)	(0.86)	1.38	0.37	(0.82)	0.06
Total from Investment Operations	(0.71)	1.56	0.51	(0.66)	0.25
Distributions from and/or in Excess of:					
Net Investment Income	(0.12)	(0.11)	—	(0.15)	(0.09)
Net Realized Gain	(0.49)	(0.16)	(0.04)	(0.08)	(0.95)
Total Distributions	(0.61)	(0.27)	(0.04)	(0.23)	(1.04)
Net Asset Value, End of Period	\$9.79	\$11.11	\$9.82	\$9.35	\$10.24
Total Return⁽⁴⁾	(6.65)%	15.96%	5.49%	(6.53)%	2.00%
Ratios and Supplemental Data:					
Net Assets, End of Period (Thousands)	\$16,906	\$21,700	\$21,861	\$24,481	\$29,604
Ratio of Expenses to Average Net Assets ⁽⁷⁾	0.99% ⁽⁵⁾	0.98% ⁽⁵⁾	0.98% ⁽⁵⁾	0.79% ⁽⁵⁾⁽⁶⁾	0.66% ⁽⁵⁾
Ratio of Net Investment Income to Average Net Assets ⁽⁷⁾	1.38% ⁽⁵⁾	1.75% ⁽⁵⁾	1.44% ⁽⁵⁾	1.63% ⁽⁵⁾	1.76% ⁽⁵⁾
Ratio of Rebate from Morgan Stanley Affiliates to Average Net Assets	0.01%	0.02%	0.02%	0.03%	0.04%
Portfolio Turnover Rate	85%	99%	105%	146%	82%
⁽⁷⁾ Supplemental Information on the Ratios to Average Net Assets:					
Ratios Before Expense Limitation:					
Expenses to Average Net Assets	1.69%	1.67%	1.68%	1.76%	1.77%
Net Investment Income to Average Net Assets	0.68%	1.06%	0.74%	0.66%	0.65%

(1) Reflects prior period Custodian out-of-pocket expenses that were reimbursed in September 2016. The amount of the reimbursement was immaterial on a per share basis and did not impact the total return of Class II shares. The Ratio of Expenses to Average Net Assets and the Ratio of Net Investment Income to Average Net Assets would be unchanged as the reimbursement of Custodian fees was offset against expense waivers/reimbursements with no impact to net expenses or net investment income.

(2) Not consolidated.

(3) Per share amount is based on average shares outstanding.

(4) Calculated based on the net asset value as of the last business day of the period. Performance does not reflect fees and expenses imposed by your insurance company's separate account. If performance information included the effect of these additional charges, the total return would be lower.

(5) The Ratios of Expenses and Net Investment Income reflect the rebate of certain Fund expenses in connection with the investments in Morgan Stanley affiliates during the period. The effect of the rebate on the ratios is disclosed in the above table as "Ratio of Rebate from Morgan Stanley Affiliates to Average Net Assets."

(6) Effective August 1, 2015, the Adviser has agreed to limit the ratio of expenses to average net assets to the maximum ratio of 1.00% for Class II shares. Prior to August 1, 2015, the maximum ratio was 0.70% for Class II shares.

Notes to Consolidated Financial Statements

Morgan Stanley Variable Insurance Fund, Inc. (the “Company”) is registered under the Investment Company Act of 1940, as amended (the “Act”), as an open-end management investment company. The Company is comprised of ten separate active, diversified and non-diversified funds (individually referred to as a “Fund”, collectively as the “Funds”). The Company applies investment company accounting and reporting guidance.

The accompanying consolidated financial statements relate to the Global Strategist Portfolio. The Fund seeks total return and offers two classes of shares — Class I and Class II. Both classes of shares have identical voting rights (except that shareholders of a Class have exclusive voting rights regarding any matter relating solely to that Class of shares), dividend, liquidation and other rights.

The Company is intended to be a funding vehicle for variable annuity contracts and variable life insurance policies offered by the separate accounts of certain life insurance companies.

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

In August 2018, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2018-13, Fair Value Measurement (Topic 820) — Disclosures Framework — Changes to Disclosure Requirements of Fair Value Measurement (“ASU 2018-13”) which introduces new fair value disclosure requirements as well as eliminates and modifies certain existing fair value disclosure requirements. ASU 2018-13 would be effective for fiscal years beginning after December 15, 2019 and for interim periods within those fiscal years; however, management has elected to early adopt ASU 2018-13 effective with the current reporting period as permitted by the standard. The impact of the Fund’s adoption was limited to changes in the Fund’s consolidated financial statement disclosures regarding fair value, primarily those disclosures related to transfers between levels of the fair value hierarchy and disclosure of the range and weighted average used to develop significant unobservable inputs for Level 3 fair value measurements, when applicable.

The Fund may, consistent with its principal investment strategies, invest up to 25% of its total assets in a wholly-owned subsidiary of the Fund organized as a company under the laws of the Cayman Islands, VIF Global Strategist Cayman

Portfolio, Ltd. (the “Subsidiary”). The Subsidiary may invest, directly or indirectly through the use of derivatives, in securities, commodities, commodity-related instruments and other investments, primarily futures, swaps and notes. The Fund is the sole shareholder of the Subsidiary, and it is not currently expected that shares of the Subsidiary will be sold or offered to other investors. The consolidated portfolio of investments and consolidated financial statements include the positions and accounts of the Fund and the Subsidiary. All intercompany accounts and transactions of the Fund and the Subsidiary have been eliminated in consolidation. As of December 31, 2018, the Subsidiary represented approximately \$12,099,000 or approximately 11.57% of the total assets of the Fund.

Investments in the Subsidiary are expected to provide the Fund with exposure to the commodity markets within the limitations of Subchapter M of the Code and recent Internal Revenue Service (“IRS”) revenue rulings, which require that a mutual fund receive no more than ten percent of its gross income from such investments in order to receive favorable tax treatment as a regulated investment company (“RIC”). Tax treatment of the income received from the Subsidiary may potentially be affected by changes in legislation, regulations or other legally binding authority, which could affect the character, timing and amount of the Fund’s taxable income and distributions. If such changes occur, the Fund may need to significantly change its investment strategy and recognize unrealized gains in order to remain qualified for taxation as a RIC, which could adversely affect the Fund.

1. Security Valuation: (1) An equity portfolio security listed or traded on an exchange is valued at its latest reported sales price (or at the exchange official closing price if such exchange reports an official closing price), and if there were no sales on a given day and if there is no official exchange closing price for that day, the security is valued at the mean between the last reported bid and asked prices if such bid and asked prices are available on the relevant exchanges. Listed equity securities not traded on the valuation date with no reported bid and asked prices available on the exchange are valued at the mean between the current bid and asked prices obtained from one or more reputable brokers or dealers. In cases where a security is traded on more than one exchange, the security is valued on the exchange designated as the primary market; (2) all other equity portfolio securities for which over-the-counter (“OTC”) market quotations are readily available are valued at the latest reported sales price (or at the market official closing price if such market reports an official closing price), and if there was no trading in the security on a given day and if there is no official closing

Notes to Consolidated Financial Statements (cont'd)

price from relevant markets for that day, the security is valued at the mean between the last reported bid and asked prices if such bid and asked prices are available on the relevant markets. An unlisted equity security that does not trade on the valuation date and for which bid and asked prices from the relevant markets are unavailable is valued at the mean between the current bid and asked prices obtained from one or more reputable brokers or dealers; (3) certain portfolio securities may be valued by an outside pricing service/vendor approved by the Company's Board of Directors (the "Directors"). The pricing service/vendor may employ a pricing model that takes into account, among other things, bids, yield spreads and/or other market data and specific security characteristics. Alternatively, if a valuation is not available from an outside pricing service/vendor, and the security trades on an exchange, the security may be valued at its latest reported sale price (or at the exchange official closing price if such exchange reports an official closing price), prior to the time when assets are valued. If there are no sales on a given day and if there is no official exchange closing price for that day, the security is valued at the mean between the last reported bid and asked prices if such bid and asked prices are available in the relevant exchanges; (4) futures are valued at the settlement price on the exchange on which they trade or, if a settlement price is unavailable, at the last sale price on the exchange; (5) OTC swaps may be valued by an outside pricing service approved by the Directors or quotes from a broker or dealer. Swaps cleared on a clearinghouse or exchange may be valued using the closing price provided by the clearinghouse or exchange; (6) when market quotations are not readily available, including circumstances under which Morgan Stanley Investment Management Inc. (the "Adviser") determines that the closing price, last sale price or the mean between the last reported bid and asked prices are not reflective of a security's market value, portfolio securities are valued at their fair value as determined in good faith under procedures established by and under the general supervision of the Directors. Occasionally, developments affecting 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 of the New York Stock Exchange ("NYSE"). If developments occur during such periods that are expected to materially affect the value of such securities, such valuations may be adjusted to reflect the estimated fair value of such securities as of the close of the NYSE, as determined in good faith by the Directors or by the Adviser using a pricing service and/or procedures

approved by the Directors; (7) quotations of foreign portfolio securities, other assets and liabilities and forward contracts stated in foreign currency are translated into U.S. dollar equivalents at the prevailing market rates prior to the close of the NYSE; and (8) investments in mutual funds, including the Morgan Stanley Institutional Liquidity Funds, are valued at the net asset value ("NAV") as of the close of each business day.

The Directors have responsibility for determining in good faith the fair value of the investments, and the Directors may appoint others, such as the Company's Adviser or a valuation committee, to assist the Directors in determining fair value and to make the actual calculations pursuant to the fair valuation methodologies previously approved by the Directors. Under procedures approved by the Directors, the Company's Adviser has formed a Valuation Committee whose members are approved by the Directors. The Valuation Committee provides administration and oversight of the Company's valuation policies and procedures, which are reviewed at least annually by the Directors. These procedures allow the Company to utilize independent pricing services, quotations from securities and financial instrument dealers and other market sources to determine fair value.

2. Fair Value Measurement: FASB Accounting Standards Codification™ ("ASC") 820, "Fair Value Measurement" ("ASC 820"), defines fair value as the value 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. ASC 820 establishes a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in valuing an 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 – unadjusted quoted prices in active markets for identical investments
- Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Notes to Consolidated Financial Statements (cont'd)

- Level 3 – significant unobservable inputs including the Fund's own assumptions in determining the fair value of investments. 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

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities and the determination of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to each security.

The following is a summary of the inputs used to value the Fund's investments as of December 31, 2018:

Investment Type	Level 1 Unadjusted quoted prices (000)	Level 2 Other significant observable inputs (000)	Level 3 Significant unobservable inputs (000)	Total (000)
Assets:				
Fixed Income Securities				
Agency Adjustable Rate Mortgage	\$ —	\$ 68	\$—	\$ 68
Agency Fixed Rate Mortgages	—	3,029	—	3,029
Asset-Backed Securities	—	405	—	405
Commercial Mortgage-Backed Securities	—	799	—	799
Corporate Bonds	—	15,688	—	15,688
Mortgages - Other	—	456	—	456
Sovereign	—	27,495	—	27,495
U.S. Treasury Securities	—	9,955	—	9,955
Total Fixed Income Securities	—	57,895	—	57,895
Common Stocks				
Aerospace & Defense	508	135	—	643
Air Freight & Logistics	202	18	—	220
Airlines	—	14	—	14
Auto Components	29	33	—	62
Automobiles	29	111	—	140
Banks	1,212	1,921	—	3,133
Beverages	178	255	—	433
Biotechnology	514	169	—	683
Building Products	148	90	—	238
Capital Markets	488	274	—	762
Chemicals	214	248	—	462
Commercial Services & Supplies	95	28	—	123

Investment Type	Level 1 Unadjusted quoted prices (000)	Level 2 Other significant observable inputs (000)	Level 3 Significant unobservable inputs (000)	Total (000)
Common Stocks (cont'd)				
Communications Equipment	\$ 229	\$ 60	\$—	\$ 289
Construction & Engineering	2	76	—	78
Construction Materials	238	43	—	281
Consumer Finance	1,156	2	—	1,158
Containers & Packaging	26	19	—	45
Diversified Financial Services	145	78	—	223
Diversified Telecommunication Services	572	183	—	755
Electric Utilities	262	136	—	398
Electrical Equipment	54	167	—	221
Electronic Equipment, Instruments & Components	48	18	—	66
Energy Equipment & Services	224	8	—†	232†
Entertainment	136	—	—	136
Equity Real Estate Investment Trusts (REITs)	393	129	—	522
Food & Staples Retailing	424	145	—	569
Food Products	84	456	—	540
Gas Utilities	10	16	—	26
Health Care Equipment & Supplies	627	127	—	754
Health Care Providers & Services	834	30	—	864
Health Care Technology	18	—	—	18
Hotels, Restaurants & Leisure	317	134	—	451
Household Durables	490	48	—	538
Household Products	407	133	—	540
Independent Power & Renewable Electricity Producers	4	8	—	12
Industrial Conglomerates	367	85	—	452
Information Technology Services	956	48	—	1,004
Insurance	240	536	—	776
Interactive Media & Services	900	8	—	908
Internet & Direct Marketing Retail	606	—	—	606
Life Sciences Tools & Services	83	61	—	144
Machinery	134	204	—	338
Marine	—	36	—	36
Media	357	122	—	479

Notes to Consolidated Financial Statements (cont'd)

Investment Type	Level 1 Unadjusted quoted prices (000)	Level 2 Other significant observable inputs (000)	Level 3 Significant unobservable inputs (000)	Total (000)
Common Stocks (cont'd)				
Metals & Mining	\$ 674	\$ 553	\$—	\$ 1,227
Multi-Line Retail	77	18	—	95
Multi-Utilities	164	113	—	277
Oil, Gas & Consumable Fuels	883	751	—	1,634
Paper & Forest Products	19	26	—	45
Personal Products	37	218	—	255
Pharmaceuticals	816	1,178	—	1,994
Professional Services	82	145	—	227
Real Estate Management & Development	3	106	—	109
Road & Rail	330	37	—	367
Semiconductors & Semiconductor Equipment	433	65	1	499
Software	819	79	—	898
Specialty Retail	502	51	—	553
Tech Hardware, Storage & Peripherals	694	—	—	694
Textiles, Apparel & Luxury Goods	220	180	—	400
Thrifts & Mortgage Finance	36	2	—	38
Tobacco	147	162	—	309
Trading Companies & Distributors	45	60	—	105
Transportation Infrastructure	—	46	—	46
Water Utilities	—	17	—	17
Wireless Telecommunication Services	24	90	—	114
Total Common Stocks	19,965	10,309	1†	30,275†
Rights	—	1	—	1
Warrant	—@	—	—	—@
Investment Company	2,902	—	—	2,902
Short-Term Investments				
Investment Companies	9,424	—	—	9,424
U.S. Treasury Security	—	2,456	—	2,456
Total Short-Term Investments	9,424	2,456	—	11,880
Foreign Currency Forward Exchange Contracts				
	—	753	—	753
Futures Contracts	293	—	—	293
Interest Rate Swap Agreements				
	—	34	—	34
Total Return Swap Agreements				
	—	321	—	321
Total Assets	32,584	71,769	1†	104,354†

Investment Type	Level 1 Unadjusted quoted prices (000)	Level 2 Other significant observable inputs (000)	Level 3 Significant unobservable inputs (000)	Total (000)
Liabilities:				
Foreign Currency Forward Exchange Contracts				
	\$ —	\$ (617)	\$—	\$ (617)
Futures Contracts				
	(909)	—	—	(909)
Interest Rate Swap Agreements				
	—	(65)	—	(65)
Total Return Swap Agreements				
	—	(536)	—	(536)
Total Liabilities	(909)	(1,218)	—	(2,127)
Total	\$31,675	\$70,551	\$ 1†	\$102,227†

@ Value is less than \$500.

† Includes one security which is valued at zero.

Transfers between investment levels may occur as the markets fluctuate and/or the availability of data used in an investment's valuation changes.

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

Global Strategist	Common Stocks (000)
Beginning Balance	\$ —@
Purchases	—
Sales	—
Amortization of discount	—
Transfers in	—
Transfers out	—
Corporate actions	—
Change in unrealized appreciation (depreciation)	1
Realized gains (losses)	—
Ending Balance	\$ 1
Net change in unrealized appreciation (depreciation) from investments still held as of December 31, 2018	\$ 1

@ Value is less than \$500.

Notes to Consolidated Financial Statements (cont'd)

The following table presents additional information about valuation techniques and inputs used for investments that are measured at fair value and categorized within Level 3 as of December 31, 2018. Various valuation techniques were used in the valuation of certain investments and weighted based on the level of significance. The Fund calculated the weighted averages of the unobservable inputs relative to each investment's fair value as of December 31, 2018.

	Fair Value at December 31, 2018 (000)	Valuation Technique	Unobservable Input	Amount	Impact to Valuation from an Increase in Input ††
Common Stock	\$1	Book Value	Book Value	\$0.050	Increase

†† Represents the expected directional change in the fair value of the Level 3 investments that would result from an increase in the corresponding input. A decrease to the unobservable input would have the opposite effect. Significant changes in these inputs could result in significantly higher or lower fair value measurements.

3. Foreign Currency Translation and Foreign Investments:

The books and records of the Fund are maintained in U.S. dollars. Foreign currency amounts are translated into U.S. dollars as follows:

- investments, other assets and liabilities at the prevailing rate 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 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. However, pursuant to U.S. federal income tax regulations, gains and losses from certain foreign currency transactions and the foreign currency portion of gains and losses realized on sales and maturities of foreign denominated debt securities are treated as ordinary income for U.S. federal income tax purposes.

Net realized gains (losses) on foreign currency transactions represent net foreign exchange gains (losses) from foreign currency forward exchange contracts, disposition of foreign currencies, currency gains (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) in the Consolidated Statement of Assets and Liabilities. The change in unrealized currency gains (losses) on foreign currency translations for the period is reflected in the Consolidated Statement of Operations.

Foreign security and currency transactions may involve certain considerations and risks not typically associated with those of U.S. dollar denominated transactions as a result of, among other factors, fluctuations of exchange rates in relation to the U.S. dollar, the possibility of lower levels of governmental supervision and regulation of foreign securities markets and the possibility of political or economic instability.

Governmental approval for foreign investments may be required in advance of making an investment under certain circumstances in some countries, and the extent of foreign investments in domestic companies may be subject to limitation in other countries. Foreign ownership limitations also may be imposed by the charters of individual companies to prevent, among other concerns, violations of foreign investment limitations. As a result, an additional class of shares (identified as "Foreign" in the Consolidated Portfolio of Investments) may be created and offered for investment. The "local" and "foreign shares" market values may differ. In the absence of trading of the foreign shares in such markets, the Fund values the foreign shares at the closing exchange price of the local shares.

4. Derivatives: The Fund may, but is not required to, use derivative instruments for a variety of purposes, including hedging, risk management, portfolio management or to earn income. Derivatives are financial instruments whose value is based, in part, on the value of an underlying asset, interest rate, index or financial instrument. Prevailing interest rates and volatility levels, among other things,

Notes to Consolidated Financial Statements (cont'd)

also affect the value of derivative instruments. A derivative instrument often has risks similar to its underlying asset and may have additional risks, including imperfect correlation between the value of the derivative and the underlying asset, risks of default by the counterparty to certain transactions, magnification of losses incurred due to changes in the market value of the securities, instruments, indices or interest rates to which the derivative instrument relates, risks that the transactions may not be liquid and risks arising from margin requirements. The use of derivatives involves risks that are different from, and possibly greater than, the risks associated with other portfolio investments. Derivatives may involve the use of highly specialized instruments that require investment techniques and risk analyses different from those associated with other portfolio investments. All of the Fund's holdings, including derivative instruments, are marked-to-market each day with the change in value reflected in unrealized appreciation (depreciation). Upon disposition, a realized gain or loss is recognized.

Certain derivative transactions may give rise to a form of leverage. Leverage magnifies the potential for gain and the risk of loss. Leverage associated with derivative transactions may cause the Fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to meet earmarking or segregation requirements, pursuant to applicable Securities and Exchange Commission ("SEC") rules and regulations, or may cause the Fund to be more volatile than if the Fund had not been leveraged. Although the Adviser seeks to use derivatives to further the Fund's investment objectives, there is no assurance that the use of derivatives will achieve this result.

Following is a description of the derivative instruments and techniques that the Fund used during the period and their associated risks:

Foreign Currency Forward Exchange Contracts:

In connection with its investments in foreign securities, the Fund also entered into contracts with banks, brokers or dealers to purchase or sell securities or foreign currencies at a future date. A foreign currency forward exchange contract ("currency contract") is a negotiated agreement between the contracting parties to exchange a specified amount of currency at a specified future time at a specified rate. The rate can be higher or lower than the spot rate between the currencies that are the subject of the contract. Currency contracts may be used to protect against uncertainty in the level of future foreign currency exchange rates or to gain or modify exposure to a particular currency. In addition, the Fund may use cross currency hedging or proxy hedging with respect to

currencies in which the Fund has or expects to have portfolio or currency exposure. Cross currency hedges involve the sale of one currency against the positive exposure to a different currency and may be used for hedging purposes or to establish an active exposure to the exchange rate between any two currencies. To the extent hedged by the use of currency contracts, the precise matching of the currency contract amounts and the value of the securities involved will not generally be possible because the future value of such securities in foreign currencies will change as a consequence of market movements in the value of those securities between the date on which the contract is entered into and the date it matures. Furthermore, such transactions may reduce or preclude the opportunity for gain if the value of the currency should move in the direction opposite to the position taken. There is additional risk to the extent that currency contracts create exposure to currencies in which the Fund's securities are not denominated. Unanticipated changes in currency prices may result in poorer overall performance for the Fund than if it had not entered into such contracts. The use of currency contracts involves the risk of loss from the insolvency or bankruptcy of the counterparty to the contract or the failure of the counterparty to make payments or otherwise comply with the terms of the contract. A currency 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 (losses) when the currency contract is closed equal to the difference between the value of the currency contract at the time it was opened and the value at the time it was closed.

Futures: A futures contract is a standardized, exchange-traded agreement to buy or sell a specific quantity of an underlying asset, reference rate or index at a specific price at a specific future time. The value of a futures contract tends to increase and decrease in tandem with the value of the underlying instrument. Depending on the terms of the particular contract, futures contracts are settled through either physical delivery of the underlying instrument on the settlement date or by payment of a cash settlement amount on the settlement date. During the period the futures contract is open, payments are received from or made to the broker based upon changes in the value of the contract (the variation margin). A decision as to whether, when and how to use futures contracts involves the exercise of skill and judgment and even a well-conceived futures transaction may be unsuccessful because of market behavior or unexpected events. In addition to the derivatives risks discussed above, the prices of futures contracts can be highly volatile, using futures

Notes to Consolidated Financial Statements (cont'd)

contracts can lower total return and the potential loss from futures contracts can exceed the Fund's initial investment in such contracts. No assurance can be given that a liquid market will exist for any particular futures contract at any particular time. There is also the risk of loss by the Fund of margin deposits in the event of bankruptcy of a broker with which the Fund has open positions in the futures contract.

Swaps: The Fund may enter into OTC swap contracts or cleared swap transactions. A swap contract is an agreement between two parties pursuant to which the parties exchange payments at specified dates on the basis of a specified notional amount, with the payments calculated by reference to specified securities, indices, reference rates, currencies or other instruments. Typically swap agreements provide that when the period payment dates for both parties are the same, the payments are made on a net basis (i.e., the two payment streams are netted out, with only the net amount paid by one party to the other). The Fund's obligations or rights under a swap contract entered into on a net basis will generally be equal only to the net amount to be paid or received under the agreement, based on the relative values of the positions held by each party. Cleared swap transactions may help reduce counterparty credit risk. In a cleared swap, the Fund's ultimate counterparty is a clearinghouse rather than a swap dealer, bank or other financial institution. OTC swap agreements are not entered into or traded on exchanges and often there is no central clearing or guaranty function for OTC swaps. These OTC swaps are often subject to credit risk or the risk of default or non-performance by the counterparty. Both OTC and cleared swaps could result in losses if interest rates, foreign currency exchange rates or other factors are not correctly anticipated by the Fund or if the reference index, security or investments do not perform as expected. During the period swap agreements are open, payments are received from or made to the clearinghouse or counterparty based upon changes in the value of the contract (variation margin). The Dodd-Frank Wall Street Reform and Consumer Protection Act and related regulatory developments require the clearing and exchange-trading of certain standardized swap transactions. Mandatory exchange-trading and clearing is occurring on a phased-in basis.

The Fund's use of swaps during the period included those based on the credit of an underlying security commonly referred to as "credit default swaps." The Fund may be either the buyer or seller in a credit default swap. Where the Fund is the buyer of a credit default swap contract, it would typically be entitled to receive the par (or other

agreed-upon) value of a referenced debt obligation from the counterparty to the contract only in the event of a default or similar event by the issuer of the debt obligation. If no default occurs, the Fund would have paid to the counterparty a periodic stream of payments over the term of the contract and received no benefit from the contract. When the Fund is the seller of a credit default swap contract, it typically receives the stream of payments but is obligated to pay an amount equal to the par (or other agreed-upon) value of a referenced debt obligation upon the default or similar event by the issuer of the referenced debt obligation. The use of credit default swaps could result in losses to the Fund if the Adviser fails to correctly evaluate the creditworthiness of the issuer of the referenced debt obligation.

If the Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap agreement and take delivery of the referenced obligation, other deliverable obligations or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash or securities equal to the notional amount of the swap agreement less the recovery value of the referenced obligation or underlying securities comprising the referenced index. If the Fund is a buyer of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) receive from the seller of protection an amount equal to the notional amount of the swap agreement and deliver the referenced obligation, other deliverable obligations or underlying securities comprising the referenced index or (ii) receive a net settlement amount in the form of cash or securities equal to the notional amount of the swap agreement less the recovery value of the referenced obligation or underlying securities comprising the referenced index. Recovery values are estimated by market makers considering either industry standard recovery rates or entity specific factors and considerations until a credit event occurs. If a credit event has occurred, the recovery value is determined by a facilitated auction whereby a minimum number of allowable broker bids, together with a specified valuation method, are used to calculate the settlement value. The Fund's maximum risk of loss from counterparty risk, either as the protection seller or as the protection buyer, is the fair value of the swap agreement.

The current credit rating of each individual issuer is included in the table following the Consolidated Portfolio of Investments and serves as an indicator of the current

Notes to Consolidated Financial Statements (cont'd)

status of the payment/performance risk of the credit derivative. Alternatively, for credit default swaps on an index of credits, the quoted market prices and current values serve as an indicator of the current status of the payment/performance risk of the credit derivative. Generally, lower credit ratings and increasing market values, in absolute terms, represent a deterioration of the credit and a greater likelihood of an adverse credit event of the issuer.

When the Fund has an unrealized loss on a swap agreement, the Fund has instructed the custodian to pledge cash or liquid securities as collateral with a value approximately equal to the amount of the unrealized loss. Collateral pledges are monitored and subsequently adjusted if and when the swap valuations fluctuate. If applicable, cash collateral is included with “Due from (to) Broker” in the Consolidated Statement of Assets and Liabilities.

Upfront payments paid or received by the Fund will be reflected as an asset or liability, respectively, in the Consolidated Statement of Assets and Liabilities.

FASB ASC 815, “Derivatives and Hedging” (“ASC 815”), is intended to improve financial reporting about derivative instruments by requiring enhanced disclosures to enable investors to better understand how and why the Fund uses derivative instruments, how these derivative instruments are accounted for and their effects on the Fund’s financial position and results of operations.

The following tables set forth the fair value of the Fund’s derivative contracts by primary risk exposure as of December 31, 2018:

		Asset Derivatives Consolidated		
	Statement of Assets and Liabilities Location	Primary Risk Exposure	Value (000)	
Foreign Currency Forward Exchange Contracts	Unrealized Appreciation on Foreign Currency Forward Exchange Contracts	Currency Risk	\$ 753	
Futures Contracts	Variation Margin on Futures Contracts	Commodity Risk	52(a)	
Futures Contracts	Variation Margin on Futures Contracts	Equity Risk	5(a)	
Futures Contracts	Variation Margin on Futures Contracts	Interest Rate Risk	236(a)	
Swap Agreements	Unrealized Appreciation on Swap Agreements	Equity Risk	321	
Swap Agreements	Variation Margin on Swap Agreements	Interest Rate Risk	34(a)	
Total			\$ 1,401	

		Liability Derivatives Consolidated		
	Statement of Assets and Liabilities Location	Primary Risk Exposure	Value (000)	
Foreign Currency Forward Exchange Contracts	Unrealized Depreciation on Foreign Currency Forward Exchange Contracts	Currency Risk	\$ (617)	
Futures Contracts	Variation Margin on Futures Contracts	Equity Risk	(743)(a)	
Futures Contracts	Variation Margin on Futures Contracts	Interest Rate Risk	(166)(a)	
Swap Agreements	Unrealized Depreciation on Swap Agreements	Equity Risk	(536)	
Swap Agreements	Variation Margin on Swap Agreements	Interest Rate Risk	(65)(a)	
Total			\$(2,127)	

(a) This amount represents the cumulative appreciation (depreciation) as reported in the Consolidated Portfolio of Investments. The Consolidated Statement of Assets and Liabilities only reflects the current day’s net variation margin.

The following tables set forth by primary risk exposure the Fund’s realized gains (losses) and change in unrealized appreciation (depreciation) by type of derivative contract for the year ended December 31, 2018 in accordance with ASC 815:

		Realized Gain (Loss)		
Primary Risk Exposure	Derivative Type	Value (000)		
Currency Risk	Foreign Currency Forward Exchange Contracts	\$ (81)		
Commodity Risk	Futures Contracts	195		
Equity Risk	Futures Contracts	(222)		
Interest Rate Risk	Futures Contracts	(309)		
Equity Risk	Swap Agreements	(2,247)		
Interest Rate Risk	Swap Agreements	206		
Total		\$(2,458)		

		Change in Unrealized Appreciation (Depreciation)		
Primary Risk Exposure	Derivative Type	Value (000)		
Currency Risk	Foreign Currency Forward Exchange Contracts	\$ (3)		
Commodity Risk	Futures Contracts	211		
Equity Risk	Futures Contracts	(1,196)		
Interest Rate Risk	Futures Contracts	31		
Equity Risk	Swap Agreements	33		
Interest Rate Risk	Swap Agreements	(293)		
Total		\$(1,217)		

Notes to Consolidated Financial Statements (cont'd)

At December 31, 2018, the Fund's derivative assets and liabilities are as follows:

Gross Amounts of Assets and Liabilities Presented in the Consolidated Statement of Assets and Liabilities

Derivatives(b)	Assets(c) (000)	Liabilities(c) (000)
Foreign Currency Forward		
Exchange Contracts	\$ 753	\$ 617
Swap Agreements	322	536
Total	\$1,075	\$1,153

(b) Excludes exchange-traded derivatives.

(c) Absent an event of default or early termination, OTC derivative assets and liabilities are presented gross and not offset in the Consolidated Statement of Assets and Liabilities.

The Fund typically enters into International Swaps and Derivatives Association, Inc. Master Agreements ("ISDA Master Agreements") or similar master agreements (collectively, "Master Agreements") with its contract counterparties for certain OTC derivatives in order to, among other things, reduce its credit risk to counterparties. ISDA Master Agreements include provisions for general obligations, representations, collateral and events of default or termination. Under an ISDA Master Agreement, the Fund typically may offset with the counterparty certain OTC derivative financial instruments' payables and/or receivables with collateral held and/or posted and create one single net payment (close-out netting) in the event of default, termination and/or potential deterioration in the credit quality of the counterparty. Various Master Agreements govern the terms of certain transactions with counterparties, including transactions such as swap, forward, repurchase and reverse repurchase agreements. These Master Agreements typically attempt to reduce the counterparty risk associated with such transactions by specifying credit protection mechanisms and providing standardization that improves legal certainty. Cross-termination provisions under Master Agreements typically provide that a default in connection with one transaction between the Fund and a counterparty gives the non-defaulting party the right to terminate any other transactions in place with the defaulting party to create one single net payment due to/due from the defaulting party and may be a feature in certain Master Agreements. In the event the Fund exercises its right to terminate a Master Agreement after a counterparty experiences a termination event as defined in the Master Agreement, the return of collateral with market value in excess of the Fund's net liability may be delayed or denied.

The following table presents derivative financial instruments that are subject to enforceable netting arrangements as of December 31, 2018:

Gross Amounts Not Offset in the Consolidated Statement of Assets and Liabilities

Counterparty	Gross Asset Derivatives Presented in the Consolidated Statement of Assets and Liabilities (000)	Financial Instrument (000)	Collateral Received (000)(d)	Net Amount (not less than \$0) (000)
Bank of America NA	\$ 12	\$ (2)	\$ —	\$ 10
Bank of Montreal	1	—	—	1
Barclays Bank PLC	174	(6)	—	168
BNP Paribas SA	163	(135)	—	28
Citibank NA	16	(1)	—	15
Commonwealth Bank of Australia	2	(1)	—	1
Goldman Sachs International	352	(165)	(187)	0
JPMorgan Chase Bank NA	331	(300)	—	31
Royal Bank of Canada	9	(—@)	—	9
State Street Bank and Trust Co.	1	(—@)	—	1
UBS AG	14	(13)	—	1
Total	\$1,075	\$(623)	\$(187)	\$265

Gross Amounts Not Offset in the Consolidated Statement of Assets and Liabilities

Counterparty	Gross Liability Derivatives Presented in the Consolidated Statement of Assets and Liabilities (000)	Financial Instrument (000)	Collateral Pledged (000)(d)	Net Amount (not less than \$0) (000)
Australia and New Zealand Banking Group	\$ —@	\$ —	\$ —	\$ —@
Bank of America NA	2	(2)	—	0
Barclays Bank PLC	6	(6)	—	0
BNP Paribas SA	256	(135)	(121)	0
Citibank NA	1	(1)	—	0
Commonwealth Bank of Australia	1	(1)	—	0
Credit Suisse International	—@	—	—	—@
Goldman Sachs International	165	(165)	—	0
JPMorgan Chase Bank NA	709	(300)	(329)	80
Royal Bank of Canada	—@	(—@)	—	0
State Street Bank and Trust Co.	—@	(—@)	—	0
UBS AG	13	(13)	—	0
Total	\$1,153	\$(623)	\$(450)	\$ 80

@ Value is less than \$500.

(d) In some instances, the actual collateral received or pledged may be more than the amount shown here due to overcollateralization.

Notes to Consolidated Financial Statements (cont'd)

For the year ended December 31, 2018, the approximate average monthly amount outstanding for each derivative type is as follows:

Foreign Currency Forward Exchange Contracts:

Average monthly principal amount \$83,813,000

Futures Contracts:

Average monthly notional value \$63,620,000

Swap Agreements:

Average monthly notional amount \$43,586,000

- 5. When-Issued/Delayed Delivery Securities:** The Fund purchases and sells when-issued and delayed delivery securities. Securities purchased on a when-issued or delayed delivery basis are purchased for delivery beyond the normal settlement date at a stated price and yield, and no income accrues to the Fund on such securities prior to delivery date. Payment and delivery for when-issued and delayed delivery securities can take place a month or more after the date of the transaction. When the Fund enters into a purchase transaction on a when-issued or delayed delivery basis, securities are available for collateral in an amount at least equal in value to the Fund's commitments to purchase such securities. Purchasing securities on a when-issued or delayed delivery basis may involve a risk that the market price at the time of delivery may be lower than the agreed upon purchase price, in which case there could be an unrealized loss at the time of delivery. Purchasing investments on a when-issued or delayed delivery basis may be considered a form of leverage which may increase the impact that gains (losses) may have on the Fund.

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

- 7. Security Transactions, Income and Expenses:** Security transactions are accounted for on the trade date (date the order to buy or sell is executed). Realized gains and losses on the sale of investment securities are determined on the specific identified cost method. Dividend income and other distributions are recorded on the ex-dividend date (except for certain foreign dividends which may be recorded as soon as the Fund is informed of such dividends) net of applicable withholding taxes. Interest income is recognized on the accrual basis except where collection is in doubt. Discounts are accreted and premiums are amortized over the life of the respective securities. Most expenses of the Company can be directly

attributed to a particular Fund. Expenses which cannot be directly attributed are apportioned among the Funds based upon relative net assets or other appropriate methods. Income, expenses (other than class specific expenses) and realized and unrealized gains or losses are allocated to each class of shares based upon their relative net assets.

The Fund owns shares of real estate investment trusts ("REITs") which report information on the source of their distributions annually in the following calendar year. A portion of distributions received from REITs during the year is estimated to be a return of capital and is recorded as a reduction of their cost.

Settlement and registration of foreign securities transactions may be subject to significant risks not normally associated with investments in the United States. In certain markets, ownership of shares is defined according to entries in the issuer's share register. It is possible that a Fund holding these securities could lose its share registration through fraud, negligence or even mere oversight. In addition, shares being delivered for sales and cash being paid for purchases may be delivered before the exchange is complete. This may subject the Fund to further risk of loss in the event of a failure to complete the transaction by the counterparty.

- 8. Dividends and Distributions to Shareholders:** Dividends and distributions to shareholders are recorded on the ex-dividend date. Dividends from net investment income, if any, are declared and paid annually. Net realized capital gains, if any, are distributed at least annually.

B. Advisory Fees: The Adviser, a wholly-owned subsidiary of Morgan Stanley, provides the Fund with advisory services under the terms of an Investment Advisory Agreement, paid quarterly, at the annual rate based on the daily net assets as follows:

First \$500 million	Next \$500 million	Over \$1 billion
0.75%	0.70%	0.65%

For the year ended December 31, 2018, the advisory fee rate (net of waiver/rebate) was equivalent to an annual effective rate of 0.20% of the Fund's average daily net assets.

The Adviser has agreed to reduce its advisory fee and/or reimburse the Fund so that the total annual operating expenses, excluding certain investment related expenses, taxes, interest and other extraordinary expenses (including litigation), will not exceed 0.90% for Class I shares and 1.00% for Class II shares. The fee waivers and/or expense reimbursements will continue for at least one year from the date of the Fund's prospectus or until such time as the Directors act to discontinue all or a portion of such waivers and/or reimbursements

Notes to Consolidated Financial Statements (cont'd)

when they deem such action is appropriate. For the year ended December 31, 2018, approximately \$641,000 of advisory fees were waived pursuant to this arrangement.

The Adviser provides investment advisory services to the Subsidiary pursuant to the Subsidiary Investment Management Agreement (the "Agreement"). Under the Agreement, the Subsidiary will pay the Adviser at the end of each fiscal quarter, calculated by applying a quarterly rate, based on the annual rate of 0.05%, to the average daily net assets of the Subsidiary.

The Adviser has agreed to waive its advisory fees by the amount of advisory fees it receives from the Subsidiary.

C. Administration Fees: The Adviser also serves as Administrator to the Company and provides administrative services pursuant to an Administration Agreement for an annual fee, accrued daily and paid monthly, of 0.08% of the Fund's average daily net assets.

Under a Sub-Administration Agreement between the Administrator and State Street Bank and Trust Company ("State Street"), State Street provides certain administrative services to the Company. For such services, the Administrator pays State Street a portion of the fee the Administrator receives from the Fund.

D. Servicing Fees: The Company accrues daily and pays quarterly a servicing fee of up to 0.17% of the average daily value of shares of the Fund held in an insurance company's account. Certain insurance companies have entered into a servicing agreement with the Company to provide administrative and other contract-owner related services on behalf of the Fund.

E. Distribution Fees: Morgan Stanley Distribution, Inc. ("MSDI" or the "Distributor"), a wholly-owned subsidiary of the Adviser and an indirect subsidiary of Morgan Stanley, serves as the Distributor of the Fund and provides the Fund's Class II shareholders with distribution services pursuant to a Distribution Plan (the "Plan") in accordance with Rule 12b-1 under the Act. Under the Plan, the Fund is authorized to pay the Distributor a distribution fee, which is accrued daily and paid monthly, at an annual rate of 0.25% of the Fund's average daily net assets attributable to Class II shares. The Distributor has agreed to waive 0.15% of the 0.25% distribution fee that it may receive. This fee waiver will continue for at least one year from the date of the Fund's prospectus or until such time as the Directors act to discontinue all or a portion of such waiver when they deem such action is appropriate. For the year ended December 31, 2018, this waiver amounted to approximately \$30,000.

F. Dividend Disbursing and Transfer Agent: The Company's dividend disbursing and transfer agent is DST Asset Manager Solutions, Inc. ("DST"). Pursuant to a Transfer Agency Agreement, the Company pays DST a fee based on the number of classes, accounts and transactions relating to the Funds of the Company.

G. Custodian Fees: State Street (the "Custodian") also serves as Custodian for the Company in accordance with a Custodian Agreement. The Custodian holds cash, securities and other assets of the Company as required by the 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.

H. Security Transactions and Transactions with Affiliates: For the year ended December 31, 2018, purchases and sales of investment securities for the Fund, other than long-term U.S. Government \$43,813,000 and \$63,414,000, respectively. For the year ended December 31, 2018, purchases and sales of long-term U.S. Government securities were approximately \$50,759,000 and \$45,489,000, respectively.

The Fund invests in the Institutional Class of the Morgan Stanley Institutional Liquidity Funds — Government Portfolio (the "Liquidity Funds"), an open-end management investment company managed by the Adviser. Advisory fees paid by the Fund are reduced by an amount equal to its pro-rata share of the advisory and administration fees paid by the Fund due to its investment in the Liquidity Funds. For the year ended December 31, 2018, advisory fees paid were reduced by approximately \$14,000 relating to the Fund's investment in the Liquidity Funds.

A summary of the Fund's transactions in shares of affiliated investments during the year ended December 31, 2018 is as follows:

Affiliated Investment Company	Value			
	December 31, 2017 (000)	Purchases at Cost (000)	Proceeds from Sales (000)	Dividend Income (000)
Liquidity Funds	\$13,399	\$67,537	\$71,900	\$138

Affiliated Investment Company (cont'd)	Change in Value		Value December 31, 2018 (000)
	Realized Gain (Loss) (000)	Unrealized Appreciation (Depreciation) (000)	
Liquidity Funds	\$—	\$—	\$9,036

The Fund is permitted to purchase and sell securities ("cross-trade") from and to other Morgan Stanley funds as well as other funds and client accounts for which the Adviser or an

Notes to Consolidated Financial Statements (cont'd)

affiliate of the Adviser serves as investment adviser, pursuant to procedures approved by the Directors in compliance with Rule 17a-7 under the Act (the “Rule”). Each cross-trade is executed at the current market price in compliance with provisions of the Rule. For the year ended December 31, 2018, the Fund did not engage in any cross-trade transactions.

The Fund has an unfunded Deferred Compensation Plan (the “Compensation Plan”), which allows each independent Director to defer payment of all, or a portion, of the fees he or she receives for serving on the Board of Directors. Each eligible Director generally may elect to have the deferred amounts credited with a return equal to the total return on one or more of the Morgan Stanley funds that are offered as investment options under the Compensation Plan.

Appreciation/depreciation and distributions received from these investments are recorded with an offsetting increase/decrease in the deferred compensation obligation and do not affect the NAV of the Fund.

I. Federal Income Taxes: It is the Fund’s intention to continue to qualify as a regulated investment company and distribute all of its taxable and tax-exempt income. Accordingly, no provision for federal income taxes is required in the financial statements.

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 based on net investment income, net realized gains and net unrealized appreciation as such income and/or gains are earned. Taxes may also be based on transactions in foreign currency and are accrued based on the value of investments denominated in such currency.

FASB ASC 740-10, “Income Taxes — Overall”, sets forth a minimum threshold for consolidated 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 consolidated financial statements. If applicable, the Fund recognizes interest accrued related to unrecognized tax benefits in “Interest Expense” and penalties in “Other Expenses” in the Consolidated Statement of Operations. The Fund files tax returns with the U.S. Internal Revenue Service, New York and various states. Each of the tax years in the four-year period ended December 31, 2018 remains subject to examination by taxing authorities.

The tax character of distributions paid may differ from the character of distributions shown for GAAP purposes due to short-term capital gains being treated as ordinary income for

tax purposes. The tax character of distributions paid during fiscal years 2018 and 2017 was as follows:

2018 Distributions Paid From:		2017 Distributions Paid From:	
Ordinary Income (000)	Long-Term Capital Gain (000)	Ordinary Income (000)	Long-Term Capital Gain (000)
\$1,352	\$5,269	\$1,416	\$1,859

The amount and character of income and gains to be distributed are determined in accordance with income tax regulations which may differ from GAAP. These book/tax differences are either considered temporary or permanent in nature.

Temporary differences are attributable 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.

Permanent differences, primarily due to differing treatments of gains (losses) related to swap transactions, resulted in the following reclassifications among the components of net assets at December 31, 2018:

Total Distributable Earnings (000)	Paid-in Capital (000)
\$ (10)	\$ 10

At December 31, 2018, the components of distributable earnings for the Fund on a tax basis were as follows:

Undistributed Ordinary Income (000)	Undistributed Long-Term Capital Gain (000)
\$1,951	\$4,497

J. Credit Facility: The Company and other Morgan Stanley funds participated in a \$150,000,000 committed, unsecured revolving line of credit facility (the “Facility”) with State Street. This Facility is to be used for temporary emergency purposes or funding of shareholder redemption requests. The interest rate on borrowings is based on the federal funds rate or 1 month LIBOR rate plus a spread. The Facility also has a commitment fee of 0.25% per annum based on the unused portion of the Facility. During the year ended December 31, 2018, the Fund did not have any borrowings under the Facility.

K. Other: At December 31, 2018, the Fund had record owners of 10% or greater. Investment activities of these shareholders could have a material impact on the Fund. The aggregate percentage of such owners was 75.6%.

L. Accounting Pronouncement: In March 2017, FASB issued an Accounting Standard Update, ASU 2017-08,

Notes to Consolidated Financial Statements (cont'd)

Receivables-Nonrefundable Fees and Other Costs (Subtopic 310-20), Premium Amortization on Purchased Callable Debt Securities (“ASU 2017-08”) which amends the amortization period for certain purchased callable debt securities held at a premium, shortening such period to the earliest call date. ASU 2017-08 does not require any accounting change for debt securities held at a discount; the discount continues to be accreted to maturity. ASU 2017-08 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. At this time, management is evaluating the implications of these changes on the consolidated financial statements.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of
Morgan Stanley Variable Insurance Fund, Inc. —
Global Strategist Portfolio

Opinion on the Financial Statements

We have audited the accompanying consolidated statement of assets and liabilities of Global Strategist Portfolio (the “Fund”) (one of the funds constituting Morgan Stanley Variable Insurance Fund, Inc. (the “Company”)), including the consolidated portfolio of investments, as of December 31, 2018, and the related consolidated statement of operations for the year then ended, the consolidated statements of changes in net assets for each of the two years in the period then ended, the consolidated financial highlights for each of the five years in the period then ended and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of Global Strategist Portfolio (one of the funds constituting Morgan Stanley Variable Insurance Fund, Inc.) at December 31, 2018, the consolidated results of its operations for the year then ended, the consolidated changes in its net assets for each of the two years in the period then ended and its consolidated financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities law and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of the Company’s internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2018 by correspondence with the custodian and others or by other appropriate auditing procedures where replies from others were not received. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Ernst & Young LLP

We have served as the auditor of one or more Morgan Stanley investment companies since 2000.
Boston, Massachusetts
February 20, 2019

Federal Tax Notice (unaudited)

For federal income tax purposes, the following information is furnished with respect to the distributions paid by the Fund during its taxable year ended December 31, 2018.

The Fund designated and paid approximately \$5,269,000 as a long-term capital gain distribution.

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

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 and Other Relevant Professional Experience	Number of Portfolios in Fund Complex Overseen by Independent Director**	Other Directorships Held by Independent Director***
Frank L. Bowman (74) c/o Perkins Coie LLP Counsel to the Independent Directors 30 Rockefeller Plaza New York, NY 10112	Director	Since August 2006	President, Strategic Decisions, LLC (consulting) (since February 2009); Director or Trustee of various Morgan Stanley Funds (since August 2006); Chairperson of the Compliance and Insurance Committee (since October 2015); formerly, Chairperson of the Insurance Sub-Committee of the Compliance and Insurance Committee (2007-2015); served as President and Chief Executive Officer of the Nuclear Energy Institute (policy organization) (February 2005-November 2008); retired as Admiral, U.S. Navy after serving over 38 years on active duty including 8 years as Director of the Naval Nuclear Propulsion Program in the Department of the Navy and the U.S. Department of Energy (1996-2004); served as Chief of Naval Personnel (July 1994-September 1996) and on the Joint Staff as Director of Political Military Affairs (June 1992-July 1994); knighted as Honorary Knight Commander of the Most Excellent Order of the British Empire; awarded the Officier de l'Orde National du Mérite by the French Government; elected to the National Academy of Engineering (2009).	82	Director of BP p.l.c.; Director of Naval and Nuclear Technologies LLP; Director Emeritus of the Armed Services YMCA; Member of the National Security Advisory Council of the Center for U.S. Global Engagement and a member of the CNA Military Advisory Board; Trustee of Fairhaven United Methodist Church; Member of the Board of Advisors of the Dolphin Scholarship Foundation; and Director of other various non-profit organizations.
Kathleen A. Dennis (65) c/o Perkins Coie LLP Counsel to the Independent Directors 30 Rockefeller Plaza New York, NY 10112	Director	Since August 2006	President, Cedarwood Associates (mutual fund and investment management consulting) (since July 2006); Chairperson of the Liquidity and Alternatives Sub-Committee of the Investment Committee (since October 2006) and Director or Trustee of various Morgan Stanley Funds (since August 2006); formerly, Senior Managing Director of Victory Capital Management (1993-2006).	82	Director of various non-profit organizations.
Nancy C. Everett (63) c/o Perkins Coie LLP Counsel to the Independent Directors 30 Rockefeller Plaza New York, NY 10112	Director	Since January 2015	Chief Executive Officer, Virginia Commonwealth University Investment Company (since November 2015); Owner, OBIR, LLC (institutional investment management consulting) (since June 2014); formerly, Managing Director, BlackRock Inc. (February 2011-December 2013); and Chief Executive Officer, General Motors Asset Management (a/k/a Promark Global Advisors, Inc.) (June 2005-May 2010).	83	Formerly, Member of Virginia Commonwealth University School of Business Foundation (2005-2016); Member of Virginia Commonwealth University Board of Visitors (2013-2015); Member of Committee on Directors for Emerging Markets Growth Fund, Inc. (2007-2010); Chairperson of Performance Equity Management, LLC (2006-2010); and Chairperson, GMAM Absolute Return Strategies Fund, LLC (2006-2010).
Jakki L. Haussler (61) c/o Perkins Coie LLP Counsel to the Independent Directors 30 Rockefeller Plaza New York, NY 10112	Director	Since January 2015	Chairman and Chief Executive Officer, Opus Capital Group (since January 1996); formerly, Director, Capvest Venture Fund, LP (May 2000-December 2011); Partner, Adena Ventures, LP (July 1999-December 2010); Director, The Victory Funds (February 2005-July 2008).	83	Director of Service Corporation International and Member, Audit Committee and Investment Committee; Director of Cincinnati Bell Inc. and Member, Audit Committee and Governance and Nominating Committee; Chairman of Northern Kentucky University Member Investment Committee; Member of Chase College of Law Transactional Law Practice Center Board of Advisors; Director of Best Transport; Director of Chase College of Law Board of Visitors; formerly, Member, University of Cincinnati Foundation Investment Committee; Member, Miami University Board of Visitors (2008-2011); Trustee of Victory Funds (2005-2008) and Chairman, Investment Committee (2007-2008) and Member, Service Provider Committee (2005-2008).

Director and Officer Information (unaudited) (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 and Other Relevant Professional Experience	Number of Portfolios in Fund Complex Overseen by Independent Director**	Other Directorships Held by Independent Director***
Dr. Manuel H. Johnson (69) c/o Johnson Smick International, Inc. 220 I Street, NE — Suite 200 Washington, D.C. 20002	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 various Morgan Stanley Funds (since July 1991); 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.	82	Director of NVR, Inc. (home construction).
Joseph J. Kearns (76) c/o Perkins Coie LLP Counsel to the Independent Directors 30 Rockefeller Plaza New York, NY 10112	Director	Since August 1994	Senior Adviser, Kearns & Associates LLC (investment consulting); Chairperson of the Audit Committee (since October 2006) and Director or Trustee of various Morgan Stanley Funds (since August 1994); formerly, Deputy Chairperson of the Audit Committee (July 2003-September 2006) and Chairperson of the Audit Committee of various Morgan Stanley Funds (since August 1994); CFO of the J. Paul Getty Trust.	83	Prior to August 10, 2016, Director of Electro Rent Corporation (equipment leasing); Prior to December 31, 2013, Director of The Ford Family Foundation.
Michael F. Klein (60) c/o Perkins Coie LLP Counsel to the Independent Directors 30 Rockefeller Plaza New York, NY 10112	Director	Since August 2006	Managing Director, Aetos Alternatives Management, LP (since March 2000); Co-President, Aetos Alternatives Management, LP (since January 2004) and Co-Chief Executive Officer of Aetos Alternatives Management, LP (since August 2013); Chairperson of the Fixed Income Sub-Committee of the Investment Committee (since October 2006) and Director or Trustee of various Morgan Stanley Funds (since August 2006); formerly, Managing Director, Morgan Stanley & Co. Inc. and Morgan Stanley Dean Witter Investment Management and President, various Morgan Stanley Funds (June 1998-March 2000); Principal, Morgan Stanley & Co. Inc. and Morgan Stanley Dean Witter Investment Management (August 1997- December 1999).	82	Director of certain investment funds managed or sponsored by Aetos Alternatives Management, LP; Director of Sanitized AG and Sanitized Marketing AG (specialty chemicals).
Patricia Maleski (58) c/o Perkins Coie LLP Counsel to the Independent Directors 30 Rockefeller Plaza New York, NY 10112	Director	Since January 2017	Managing Director, JPMorgan Asset Management (2004-2016); Oversight and Control Head of Fiduciary and Conflicts of Interest Program (2015-2016); Chief Control Officer-Global Asset Management (2013-2015); President, JPMorgan Funds (2010-2013); Chief Administrative Officer (2004-2013); various other positions including Treasurer and Board Liaison (since 2001).	83	None.
Michael E. Nugent (82) 522 Fifth Avenue New York, NY 10036	Chair of the Board and Director	Chair of the Boards since July 2006 and Director since July 1991	Chair of the Boards of various Morgan Stanley Funds (since July 2006); Chairperson of the Closed-End Fund Committee (since June 2012) Governance Committee (since January 2019) and Director or Trustee of various Morgan Stanley Funds (since July 1991); formerly, Chairperson of the Insurance Committee (until July 2006); General Partner, Triumph Capital, L.P. (private investment partnership) (1988-2013).	82	None.
W. Allen Reed (71) c/o Perkins Coie LLP Counsel to the Independent Directors 30 Rockefeller Plaza New York, NY 10112	Director	Since August 2006	Chairperson of the Equity Sub-Committee of the Investment Committee (since October 2006) and Director or Trustee of various Morgan Stanley Funds (since August 2006); formerly, President and CEO of General Motors Asset Management; Chairman and Chief Executive Officer of the GM Trust Bank and Corporate Vice President of General Motors Corporation (August 1994-December 2005).	82	Director of Legg Mason, Inc.; formerly, Director of the Auburn University Foundation (2010-2015).

Director and Officer Information (unaudited) (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 and Other Relevant Professional Experience	Number of Portfolios in Fund Complex Overseen by Independent Director**	Other Directorships Held by Independent Director***
Fergus Reid (86)**** c/o Joe Pietryka, Inc. 85 Charles Colman Blvd. Pawling, NY 12564	Director	Since June 1992	Chairman, Joe Pietryka, Inc.; Chairperson of the Governance Committee and Director or Trustee of various Morgan Stanley Funds (since June 1992).	83	Formerly, Trustee and Director of certain investment companies in the JP Morgan Fund Complex managed by JP Morgan Investment Management Inc. (1987-2012).

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

** The Fund Complex includes (as of December 31, 2018) all open-end and closed-end funds (including all of their portfolios) advised by Morgan Stanley Investment Management Inc. (the "Adviser") and any funds that have an adviser that is an affiliated person of the Adviser (including, but not limited to, Morgan Stanley AIP GP LP).

*** This includes any directorships at public companies and registered investment companies held by the Director at any time during the past five years.

**** Effective date of retirement is December 31, 2018.

Executive Officers:

Name, Age and Address of Executive Officer	Position(s) Held with Registrant	Length of Time Served*	Principal Occupation(s) During Past 5 Years
John H. Gernon (55) 522 Fifth Avenue New York, NY 10036	President and Principal Executive Officer	Since September 2013	President and Principal Executive Officer of the Equity and Fixed Income Funds and the Morgan Stanley AIP Funds (since September 2013) and the Liquidity Funds and various money market funds (since May 2014) in the Fund Complex; Managing Director of the Adviser; Head of Product (since 2006).
Timothy J. Knierim (59) 522 Fifth Avenue New York, NY 10036	Chief Compliance Officer	Since December 2016	Managing Director of the Adviser and various entities affiliated with the Adviser; Chief Compliance Officer of various Morgan Stanley Funds and the Adviser (since December 2016) and Chief Compliance Officer of Morgan Stanley AIP GP LP (since 2014). Formerly, Managing Director and Deputy Chief Compliance Officer of the Adviser (2014-2016); and formerly, Chief Compliance Officer of Prudential Investment Management, Inc. (2007-2014).
Francis J. Smith (53) 522 Fifth Avenue New York, NY 10036	Treasurer and Principal Financial Officer	Treasurer since July 2003 and Principal Financial Officer since September 2002	Managing Director of the Adviser and various entities affiliated with the Adviser; Treasurer (since July 2003) and Principal Financial Officer of various Morgan Stanley Funds (since September 2002).
Mary E. Mullin (51) 522 Fifth Avenue New York, NY 10036	Secretary	Since June 1999	Managing Director of the Adviser; Secretary of various Morgan Stanley Funds (since June 1999).
Michael J. Key (39) 522 Fifth Avenue New York, NY 10036	Vice President	Since June 2017	Vice President of the Equity and Fixed Income Funds, Liquidity Funds, various money market funds and the Morgan Stanley AIP Funds in the Fund Complex (since June 2017); Executive Director of the Adviser; Head of Product Development for Equity and Fixed Income Funds (since August 2013).

* This is the earliest date the officer began serving the Morgan Stanley Funds. Each officer serves a one-year term, until his or her successor is elected and qualifies.

(This page has been left blank intentionally.)

(This page has been left blank intentionally.)

Adviser and Administrator

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

Legal Counsel

Dechert LLP
1095 Avenue of the Americas
New York, New York 10036

Distributor

Morgan Stanley Distribution, Inc.
522 Fifth Avenue
New York, New York 10036

Counsel to the Independent Directors

Perkins Coie LLP
30 Rockefeller Plaza
New York, New York 10112

Dividend Disbursing and Transfer Agent

DST Asset Manager Solutions, Inc.
2000 Crown Colony Drive
Quincy, Massachusetts 02169

Independent Registered Public Accounting Firm

Ernst & Young LLP
200 Clarendon Street
Boston, Massachusetts 02116

Custodian

State Street Bank and Trust Company
One Lincoln Street
Boston, Massachusetts 02111

Reporting to Shareholders

Each Morgan Stanley fund provides a complete schedule of portfolio holdings in its semi-annual and the annual reports within 60 days of the end of the fund's second and fourth fiscal quarters. The semi-annual and 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 shareholders and makes these reports available on its public website, www.morganstanley.com/im/shareholderreports. 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 shareholders, 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 can also request copies of these materials, upon payment of a duplicating fee, by electronic request at the SEC's email address (publicinfo@sec.gov)

Proxy Voting Policies and Procedures and Proxy Voting Record

You may obtain a copy of the Company's Proxy Voting Policy and Procedures and information regarding how the Company voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30, without charge, upon request, by calling toll free 1 (800) 548-7786 or by visiting our website at www.morganstanley.com/im/shareholderreports. This information is also available on the SEC's website at www.sec.gov.

This report is submitted for the general information of the shareholders of the Fund. For more detailed information about the Fund, its fees and expenses and other pertinent information, please read its Prospectus. The Company's Statement of Additional Information contains additional information about the Fund, including its Directors. It is available, without charge, by calling 1 (800) 548-7786.

This report is not authorized for distribution to prospective investors in the Fund unless preceded or accompanied by an effective Prospectus. Read the Prospectus carefully before investing.