

Morgan Stanley Variable Insurance Fund, Inc.
Discovery Portfolio
Portfolio of Investments
First Quarter Report
March 31, 2021 (unaudited)

	Shares	Value (000)
Common Stocks (92.2%)		
Aerospace & Defense (2.6%)		
Axon Enterprise, Inc. (a)	70,712	\$ 10,071
Biotechnology (2.9%)		
Alnylam Pharmaceuticals, Inc. (a)	13,986	1,975
Exact Sciences Corp. (a)	30,894	4,071
Moderna, Inc. (a)	39,183	5,131
		11,177
Diversified Holding Companies (0.7%)		
BowX Acquisition Corp., Class A SPAC	43,477	508
Soaring Eagle Acquisition Corp. SPAC	229,320	2,321
		2,829
Entertainment (5.0%)		
ROBLOX Corp., Class A (a)	32,381	2,099
Roku, Inc. (a)	16,774	5,465
Skillz, Inc. (a)	607,413	11,565
		19,129
Health Care Equipment & Supplies (2.6%)		
DexCom, Inc. (a)	16,948	6,091
Penumbra, Inc. (a)	14,333	3,878
		9,969
Health Care Providers & Services (4.3%)		
Covetrus, Inc. (a)	334,855	10,035
Guardant Health, Inc. (a)	27,808	4,245
Oak Street Health, Inc. (a)	43,132	2,341
		16,621
Health Care Technology (6.1%)		
Agilon Health Topco, Inc.(a)(b)(c) (acquisition cost – \$596; acquired 11/7/18)	1,577	1,715
GoodRx Holdings, Inc., Class A (a)	98,924	3,860
Teladoc Health, Inc. (a)	20,741	3,770
Veeva Systems, Inc., Class A (a)	53,912	14,084
		23,429
Hotels, Restaurants & Leisure (3.1%)		
Airbnb, Inc., Class B (a)	67,272	11,948
Information Technology Services (17.0%)		
Affirm Holdings, Inc. (a)	24,575	1,738
Fastly, Inc., Class A (a)	221,749	14,919
MongoDB, Inc. (a)	34,914	9,337
Okta, Inc. (a)	48,569	10,706
Snowflake, Inc., Class A (a)	42,409	9,724
Twilio, Inc., Class A (a)	57,012	19,427
		65,851
Interactive Media & Services (13.6%)		
Pinterest, Inc., Class A (a)	286,408	21,203
Twitter, Inc. (a)	319,524	20,331
Zillow Group, Inc., Class C (a)	44,234	5,734

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ZoomInfo Technologies, Inc., Class A (a)	105,124	5,141
		<u>52,409</u>
Internet & Direct Marketing Retail (13.1%)		
Chewy, Inc., Class A (a)	40,164	3,402
ContextLogic, Inc., Class A (a)(d)	293,783	4,642
DoorDash, Inc., Class A (a)	101,975	13,372
Farfetch Ltd., Class A (a)	171,097	9,071
Overstock.com, Inc. (a)	67,897	4,499
Stitch Fix, Inc., Class A (a)	88,038	4,361
Wayfair, Inc., Class A (a)	36,253	11,411
		<u>50,758</u>
Leisure Products (1.1%)		
Peloton Interactive, Inc., Class A (a)	38,966	4,381
Life Sciences Tools & Services (2.1%)		
10X Genomics, Inc., Class A (a)	22,552	4,082
NanoString Technologies, Inc. (a)	60,712	3,989
		<u>8,071</u>
Metals & Mining (0.8%)		
MP Materials Corp. (a)(d)	54,991	1,977
Royal Gold, Inc.	11,323	1,219
		<u>3,196</u>
Oil, Gas & Consumable Fuels (0.7%)		
Texas Pacific Land Corp.	1,626	2,584
Pharmaceuticals (3.4%)		
Royalty Pharma PLC, Class A (United Kingdom)	298,716	13,030
Real Estate Management & Development (1.5%)		
Opendoor Technologies, Inc. (a)(d)	78,408	1,662
Redfin Corp. (a)	64,726	4,310
		<u>5,972</u>
Software (8.0%)		
Appian Corp. (a)	9,942	1,322
Cloudflare, Inc., Class A (a)	82,701	5,810
Coupa Software, Inc. (a)	29,539	7,517
MicroStrategy, Inc., Class A (a)	3,188	2,164
Nuance Communications, Inc. (a)	90,961	3,969
Qualtrics International, Inc., Class A (a)	60,770	2,000
Trade Desk, Inc. (The), Class A (a)	8,963	5,841
Unity Software, Inc. (a)	21,401	2,147
		<u>30,770</u>
Specialty Retail (3.6%)		
Carvana Co. (a)	53,409	14,015
Total Common Stocks (Cost \$270,389)		<u>356,210</u>
Preferred Stock (0.1%)		
Internet & Direct Marketing Retail (0.1%)		
Overstock.com, Inc. Series A-1 (a) (Cost \$80)	7,866	549

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Short-Term Investments (9.9%)

Securities held as Collateral on Loaned Securities (1.7%)

Investment Company (1.3%)

Morgan Stanley Institutional Liquidity Funds - Treasury Securities Portfolio - Institutional Class (e)	5,092,946	5,093
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**Face
Amount
(000)**

Repurchase Agreements (0.4%)

HSBC Securities USA, Inc., (0.01%, dated 3/31/21, due 4/1/21; proceeds \$264; fully collateralized by U.S. Government obligations; 1.75% - 2.13% due 6/30/21 - 5/15/22; valued at \$269)	\$ 264	264
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Merrill Lynch & Co., Inc., (0.01%, dated 3/31/21, due 4/1/21; proceeds \$1,109; fully collateralized by U.S. Government obligations; 0.38% - 2.88% due 9/30/23 - 4/30/25; valued at \$1,132)	1,109	1,109
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1,373

Total Securities held as Collateral on Loaned Securities (Cost \$6,466)

6,466

Shares

Investment Company (8.2%)

Morgan Stanley Institutional Liquidity Funds - Treasury Securities Portfolio - Institutional Class (e) (Cost \$31,709)	31,709,143	31,709
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Total Short-Term Investments (Cost \$38,175)

38,175

Total Investments Excluding Purchased Options (102.2%) (Cost \$308,644)

394,934

Total Purchased Options Outstanding (0.2%) (Cost \$1,900)

613

Total Investments (102.4%) (Cost \$310,544) Including \$8,280 of Securities Loaned (f)(g)

395,547

Liabilities in Excess of Other Assets (-2.4%)

(9,244)

Net Assets (100.0%)

\$ 386,303

The Fund had the following Derivative Contracts - PIPE open at March 31, 2021.

Counterparty	Referenced Obligation	Notional Amount	Settlement Date	Unrealized Appreciation (Depreciation) (000)	% of Net Assets
Good Works Acquisition Corp.	Cipher Mining (a)(b) (h)(j)	\$ 2,024,460	05/31/21	\$ 168	0.04%
Thoma Bravo Advantage	IronSource Ltd. (a)(b) (i)(j)	3,783,790	05/31/21	(129)	(0.03)
				\$ 39	0.01%

(a) Non-income producing security.

(b) At March 31, 2021, the Fund held a fair valued security valued at approximately \$1,754,000, representing 0.5% of net assets. This security has been fair valued as determined in good faith under procedures established by and under the general supervision of the Company's (as defined herein) Directors.

- (c) Security cannot be offered for public resale without first being registered under the Securities Act of 1933 and related rules ("restricted security"). Acquisition date represents the day on which an enforceable right to acquire such security is obtained and is presented along with related cost in the security description. The Fund has registration rights for certain restricted securities. Any costs related to such registration are borne by the issuer. The aggregate value of restricted securities (excluding 144A holdings) at March 31, 2021 amounts to approximately \$13,663,000 and represents 3.5% of net assets.
- (d) All or a portion of this security was on loan. The value of loaned securities and related collateral outstanding at March 31, 2021, were approximately \$8,280,000 and \$8,125,000, respectively. The Fund received cash collateral of approximately \$6,478,000, of which approximately \$6,466,000 was subsequently invested in a Repurchase Agreement and Morgan Stanley Institutional Liquidity Funds - Treasury Securities Portfolio - Institutional Class as reported in the Portfolio of Investments. At March 31, 2021, there was uninvested cash collateral of approximately \$12,000, which is not reflected in the Portfolio of Investments. The remaining collateral of approximately \$1,647,000 was received in the form of U.S. Government obligations, which the Fund cannot sell or re-pledge and accordingly are not reflected in the Portfolio of Investments. The Fund has the right under the securities lending agreement to recover the securities from the borrower on demand.
- (e) The Fund invests in the Institutional Class of the Morgan Stanley Institutional Liquidity Funds - Treasury Securities Portfolio - (the "Liquidity Funds"), an open-end management investment company managed by the Adviser, both directly and as a portion of the securities held as collateral on loaned securities. 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 three months ended March 31, 2021, advisory fees paid were reduced by approximately \$5,000 relating to the Fund's investment in the Liquidity Funds.
- (f) 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 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 three months ended March 31, 2021, the Fund did not engage in any cross-trade transactions.
- (g) At March 31, 2021, the aggregate cost for federal income tax purposes approximates the aggregate cost for book purposes. The aggregate gross unrealized appreciation is approximately \$99,483,000 and the aggregate gross unrealized depreciation is approximately \$14,441,000, resulting in net unrealized appreciation of approximately \$85,042,000.
- (h) Represents an unfunded subscription agreement in a private investment in a public entity. The Fund is committed to purchase 202,446 shares at \$10.00 per share on the settlement date pursuant to the closing of the business combination between Cipher Mining, and Good Works Acquisition Corp., a special purpose acquisition company (SPAC). The settlement date shown reflects the estimated date based upon the subscription agreement and is subject to change. The transaction will require the approval of the shareholders of both Good Works Acquisition Corp., and Cipher Mining, and is subject to other customary closing conditions, including the receipt of certain regulatory approvals. If these conditions are not met the Fund is no longer obligated to fulfill its commitment to Good Works Acquisition Corp., and Cipher Mining. The investment is restricted from resale until the settlement date.
- (i) Represents an unfunded subscription agreement in a private investment in a public entity. The Fund is committed to purchase 378,379 shares at \$10.00 per share on the settlement date pursuant to the closing of the business combination between IronSource Ltd., and Thoma Bravo Advantage, a SPAC. The settlement date shown reflects the estimated date based upon the subscription agreement and is subject to change. The transaction will require the approval of the shareholders of both IronSource Ltd., and Thoma Bravo Advantage, and is subject to other customary closing conditions, including the receipt of certain regulatory approvals. If these conditions are not met the Fund is no longer obligated to fulfill its commitment to IronSource Ltd., and Thoma Bravo Advantage. The investment is restricted from resale until the settlement date.
- (j) Investment is valued based on the underlying stock price and significant unobservable inputs that factor in volatility and discount for lack of marketability and transaction risk and is classified as Level 3 in the fair value hierarchy.

SPAC Special Purpose Acquisition Company.

PIPE Private Investment in Public Equity.

Call Options Purchased:

The Fund had the following call options purchased open at March 31, 2021:

Counterparty	Description	Strike Price	Expiration Date	Number of Contracts	Notional Amount (000)	Value (000)	Premiums Paid (000)	Unrealized Depreciation (000)
BNP Paribas	USD/CNH	CNH 7.99	Sep - 21	48,631,053	\$ 48,631	\$ 14	\$ 294	\$ (280)
BNP Paribas	USD/CNH	CNH 7.45	Jan - 22	75,453,606	75,454	224	403	(179)
BNP Paribas	USD/CNH	CNH 7.64	Nov - 21	60,267,001	60,267	80	327	(247)
Goldman Sachs International	USD/CNH	CNH 7.57	Mar - 22	75,023,260	75,023	288	373	(85)
Royal Bank of Scotland	USD/CNH	CNH 8.06	Jul - 21	53,638,983	53,639	7	284	(277)
Royal Bank of Scotland	USD/CNH	CNH 8.48	May - 21	35,020,637	35,021	—@	219	(219)
						<u>\$ 613</u>	<u>\$ 1,900</u>	<u>\$ (1,287)</u>

@ Value is less than \$500.

CNH – Chinese Yuan Renminbi Offshore

USD – United States Dollar

Portfolio Composition*

Classification	Percentage of Total Investments
Other**	34.3%
Information Technology Services	16.7
Interactive Media & Services	13.3
Internet & Direct Marketing Retail	13.1
Short-Term Investments	8.7
Software	8.0
Health Care Technology	5.9
Total Investments	100.0%***

* Percentages indicated are based upon total investments (excluding Securities held as Collateral on Loaned Securities) as of March 31, 2021.

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

*** Does not include open PIPE contracts with net unrealized appreciation of approximately \$39,000.

Morgan Stanley Variable Insurance Fund, Inc.

Notes to the Portfolio of Investments ▪ March 31, 2021 (unaudited)

In March 2020, the Financial Accounting Standards Board (“FASB”) issued an Accounting Standard Update, ASU 2020-04, Reference Rate Reform (Topic 848) - Facilitation of the Effects of Reference Rate Reform on Financial Reporting (“ASU 2020-04”), which provides optional, temporary relief with respect to the financial reporting of contracts subject to certain types of modifications due to the planned discontinuation of the London Interbank Offered Rate (“LIBOR”) and other IBOR-based reference rates at the end of 2021. The temporary relief provided by ASU 2020-04 is effective for certain reference rate-related contract modifications that occur during the period from March 12, 2020 through December 31, 2022. Management is evaluating the impact of ASU 2020-04 on the Fund’s investments, derivatives, debt and other contracts that will undergo reference rate-related modifications as a result of the reference rate reform.

Security Valuation: (1) 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. If only bid prices are available then the latest bid price may be used. If Morgan Stanley Investment Management Inc. (the “Adviser”) or Morgan Stanley Investment Management Limited (“MSIM Limited”) and Morgan Stanley Investment Management Company (“MSIM Company”) (together, the “Sub-Advisers”), each a wholly-owned subsidiary of Morgan Stanley, determines that the price provided by the outside pricing service/vendor or exchange does not reflect the security’s fair value or is unable to provide a price, prices from brokers or dealers may also be utilized. In these circumstances, the value of the security will be the mean of bid and asked prices obtained from brokers or dealers; (2) 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. If only bid prices are available then the latest bid price may be used. 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; (3) 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 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; (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) listed options are valued at the last reported sales price on the exchange on which they are listed (or at the exchange official closing price if such exchange reports an official closing price). If an official closing price or last reported sales price is unavailable, the listed option should be fair valued at the mean between its latest bid and ask prices. Unlisted options are valued at the mean between their latest bid and ask prices from a broker/dealer or valued by a pricing service/vendor; (7) when market quotations are not readily available, including circumstances under which the Adviser or Sub-Advisers determine 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; (8) 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 (9) investments in mutual funds, including the Morgan Stanley Institutional Liquidity Funds, are valued at the net asset value 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.

Fair Value Measurement: FASB Accounting Standards CodificationTM ("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.)
- 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 March 31, 2021:

Investment Type	Level 1 Unadjusted quoted prices (000)	Level 2 Other significant observable inputs (000)	Level 3 Significant unobservable inputs (000)	Total (000)
Discovery				
Assets:				
Common Stocks				
Aerospace & Defense	\$ 10,071	\$ —	\$ —	\$ 10,071
Biotechnology	11,177	—	—	11,177
Diversified Holding Companies	2,829	—	—	2,829
Entertainment	19,129	—	—	19,129
Health Care Equipment & Supplies	9,969	—	—	9,969
Health Care Providers & Services	16,621	—	—	16,621
Health Care Technology	21,714	—	1,715	23,429
Hotels, Restaurants & Leisure	—	11,948	—	11,948
Information Technology Services	65,851	—	—	65,851
Interactive Media & Services	52,409	—	—	52,409
Internet & Direct Marketing Retail	50,758	—	—	50,758
Leisure Products	4,381	—	—	4,381
Life Sciences Tools & Services	8,071	—	—	8,071
Metals & Mining	3,196	—	—	3,196
Oil, Gas & Consumable Fuels	2,584	—	—	2,584
Pharmaceuticals	13,030	—	—	13,030
Real Estate Management & Development	5,972	—	—	5,972
Software	30,770	—	—	30,770
Specialty Retail	14,015	—	—	14,015
Total Common Stocks	342,547	11,948	1,715	356,210
Preferred Stock				
Internet & Direct Marketing Retail	549	—	—	549
Call Options Purchased	—	613	—	613
Short-Term Investments				
Investment Company	36,802	—	—	36,802
Repurchase Agreements	—	1,373	—	1,373
Total Short-Term Investments	36,802	1,373	—	38,175
Derivative Contracts — PIPE	—	—	168	168
Total Assets	\$ 379,898	\$ 13,934	\$ 1,883	\$ 395,715
Liabilities:				
Derivative Contracts — PIPE	—	—	(129)	(129)
Total	\$ 379,898	\$ 13,934	\$ 1,754	\$ 395,586

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

Discovery	Common Stock (000)	Derivative Contracts – PIPE (000)
Beginning Balance	\$ 929	\$ -
Purchases	-	-
Sales	-	-
PIPE transaction	-	39
Amortization of discount	-	-
Transfers in	-	-
Transfers out	-	-
Corporate actions	-	-
Change in unrealized appreciation (depreciation)	786	-
Realized gains (losses)	-	-
Ending Balance	<u>\$ 1,715</u>	<u>\$ 39</u>
Net change in unrealized appreciation (depreciation) from investments still held as of March 31, 2021	<u>\$ 786</u>	<u>\$ 39</u>

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 March 31, 2021. Various valuation techniques were used in the valuation of certain investments and weighted based on the level of significance:

Discovery	Fair Value at March 31, 2021 (000)	Valuation Technique	Unobservable Input	Amount*	Impact to Valuation from an Increase in Input**
Common Stock	\$ 1,715	Discounted Cash Flow	Weighted Average		
			Cost of Capital	11.0%	Decrease
			Perpetual Growth Rate	3.5%	Increase
			Market Comparable Companies		
			Enterprise Value/Revenue	3.0x	Increase
			Discount for Lack of Marketability	7.0%	Decrease
PIPE's	\$ 39	Market Implied	Discount for Lack of Marketability and Transaction Risk	0.0% - 7.6%	Decrease

* Amount is indicative of the weighted average.

** 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.