

Morgan Stanley Variable Insurance Fund, Inc.
Discovery Portfolio
Consolidated Portfolio of Investments
Third Quarter Report
September 30, 2021 (unaudited)

	Shares	Value (000)
Common Stocks (92.9%)		
Aerospace & Defense (3.6%)		
Axon Enterprise, Inc. (a)	74,266	\$ 12,998
Biotechnology (2.0%)		
Alnylam Pharmaceuticals, Inc. (a)	15,388	2,905
Exact Sciences Corp. (a)	17,890	1,708
Ginkgo Bioworks Holdings, Inc. (a)(b)	82,077	951
Intellia Therapeutics, Inc. (a)	11,682	1,567
		7,131
Diversified Holding Companies (0.5%)		
BowX Acquisition Corp., Class A SPAC (a)	184,895	1,849
Entertainment (4.5%)		
ROBLOX Corp., Class A (a)	170,125	12,853
Roku, Inc. (a)	10,465	3,279
		16,132
Health Care Providers & Services (3.3%)		
Agilon Health, Inc. (a)	104,923	2,750
Covetrus, Inc. (a)	194,414	3,527
Guardant Health, Inc. (a)	29,640	3,705
Oak Street Health, Inc. (a)	41,279	1,756
		11,738
Health Care Technology (5.6%)		
Agilon Health Topco, Inc. (a)(c)	157,700	4,051
GoodRx Holdings, Inc., Class A (a)	143,909	5,903
Teladoc Health, Inc. (a)	9,552	1,211
Veeva Systems, Inc., Class A (a)	31,427	9,056
		20,221
Information Technology Services (24.8%)		
Affirm Holdings, Inc. (a)	165,858	19,759
Cloudflare, Inc., Class A (a)	174,810	19,692
Fastly, Inc., Class A (a)	238,374	9,640
Marqeta, Inc., Class A (a)	148,098	3,276
MongoDB, Inc. (a)	39,335	18,547
Okta, Inc. (a)	76,831	18,235
		89,149
Interactive Media & Services (12.2%)		
Pinterest, Inc., Class A (a)	252,244	12,852
Twitter, Inc. (a)	278,852	16,840
Zillow Group, Inc., Class C (a)	48,196	4,248
ZoomInfo Technologies, Inc., Class A (a)	162,168	9,923
		43,863
Internet & Direct Marketing Retail (7.5%)		
Farfetch Ltd., Class A (a)	131,945	4,945
Overstock.com, Inc. (a)	75,610	5,891
Stitch Fix, Inc., Class A (a)	100,919	4,032
Wayfair, Inc., Class A (a)	46,975	12,003
		26,871

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Leisure Products (0.8%)		
Peloton Interactive, Inc., Class A (a)	33,484	2,915
Life Sciences Tools & Services (1.9%)		
10X Genomics, Inc., Class A (a)	24,176	3,519
NanoString Technologies, Inc. (a)	66,069	3,172
		6,691
Metals & Mining (0.3%)		
Royal Gold, Inc.	10,206	975
Pharmaceuticals (2.4%)		
Royalty Pharma PLC, Class A (United Kingdom)	239,415	8,652
Real Estate Management & Development (1.6%)		
Opendoor Technologies, Inc. (a)	87,316	1,793
Redfin Corp. (a)	80,099	4,013
		5,806
Software (17.6%)		
Asana, Inc., Class A (a)	36,580	3,798
Bill.Com Holdings, Inc. (a)	48,889	13,051
Cipher Mining Technologies, Inc. (a)(d)	202,446	1,853
Confluent, Inc., Class A (a)(b)	37,798	2,255
Coupa Software, Inc. (a)	27,857	6,106
IronSource Ltd., Class A (Israel) (a)(d)	378,379	3,743
IronSource Ltd., (Israel) (a)	99,041	1,077
MicroStrategy, Inc., Class A (a)	2,554	1,477
Palantir Technologies, Inc., Class A (a)	202,754	4,874
Procore Technologies, Inc. (a)	18,555	1,658
Qualtrics International, Inc., Class A (a)	66,227	2,830
Trade Desk, Inc. (The), Class A (a)	126,877	8,919
UiPath, Inc., Class A (a)	32,406	1,705
Unity Software, Inc. (a)	78,409	9,899
		63,245
Specialty Retail (3.6%)		
Carvana Co. (a)	42,123	12,702
Total Common Stocks (Cost \$289,812)		330,938
Preferred Stocks (0.8%)		
Internet & Direct Marketing Retail (0.1%)		
Overstock.com, Inc. Series A-1	3,632	260
Software (0.7%)		
Databricks, Inc. (a)(d)(e) (acquisition cost — \$2,666; acquired 8/31/14)	12,093	2,666
Total Preferred Stocks (Cost \$2,690)		2,926
Investment Company (0.7%)		
Grayscale Bitcoin Trust (a) (Cost \$3,280)	74,188	2,511

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	No. of Warrants	
Warrant (0.0%) (f)		
Biotechnology (0.0%) (f)		
Ginkgo Bioworks Holdings, Inc., expires 12/31/27 (a) (Cost \$55)	16,415	56
Short-Term Investments (7.0%)		
	Shares	
Securities held as Collateral on Loaned Securities (0.3%)		
Investment Company (0.2%)		
Morgan Stanley Institutional Liquidity Funds - Treasury Securities Portfolio - Institutional Class (g)	829,980	830
	Face Amount (000)	
Repurchase Agreements (0.1%)		
HSBC Securities USA, Inc., (0.05%, dated 9/30/21, due 10/1/21; proceeds \$43; fully collateralized by U.S. Government obligations; 0.00%-0.13% due 10/7/21-12/31/22; valued at \$44)	\$ 43	43
Merrill Lynch & Co., Inc., (0.05%, dated 9/30/21, due 10/1/21; proceeds \$148; fully collateralized by a U.S. Government obligation; 0.38% due 4/15/24; valued at \$150)	148	148
		191
Total Securities held as Collateral on Loaned Securities (Cost \$1,021)		1,021
	Shares	
Investment Company (6.7%)		
Morgan Stanley Institutional Liquidity Funds - Treasury Securities Portfolio - Institutional Class (g) (Cost \$24,178)	24,178,293	24,178
Total Short-Term Investments (Cost \$25,199)		25,199
Total Investments Excluding Purchased Options (100.7%) (Cost \$321,036)		361,630
Total Purchased Options Outstanding (0.1%) (Cost \$1,885)		401
Total Investments (100.8%) (Cost \$322,921) Including \$1,095 of Securities Loaned (h)(i)(j)		362,031
Liabilities in Excess of Other Assets (-0.8%)		(3,029)
Net Assets (100.0%)		\$ 359,002

The Fund had the following Derivative Contract - PIPE open at September 30, 2021:

Counterparty	Referenced Obligation	Notional Amount	Settlement Date	Unrealized Depreciation (000)	% of Net Assets
Reinvent Technology Partners Y	Aurora Innovation, Inc. (a)(d)(e)(k)(l)	\$ 1,299,340	12/31/21	\$ (183)	(0.05)%

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- (a) Non-income producing security.
- (b) All or a portion of this security was on loan. The value of loaned securities and related collateral outstanding at September 30, 2021, were approximately \$1,095,000 and \$1,171,000, respectively. The Fund received cash collateral of approximately \$1,026,000, of which approximately \$1,021,000 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 September 30, 2021, there was uninvested cash collateral of approximately \$5,000, which is not reflected in the Portfolio of Investments. The remaining collateral of approximately \$145,000 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.
- (c) Security has been deemed by the investment manager to be illiquid and is subject to restrictions on resale. At September 30, 2021, this security amounted to approximately \$4,051,000, which represents 1.1% of net assets of the Fund.
- (d) 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 and derivative contract (excluding 144A holdings) at September 30, 2021 amounts to approximately \$8,079,000 and represents 2.3% of net assets.
- (e) At September 30, 2021, the Fund held a fair valued security and derivative contract valued at approximately \$2,483,000, representing 0.7% 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.
- (f) Amount is less than 0.05%.
- (g) 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 nine months ended September 30, 2021, advisory fees paid were reduced by approximately \$8,000 relating to the Fund's investment in the Liquidity Funds.
- (h) 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 nine months ended September 30, 2021, the Fund did not engage in any cross-trade transactions.
- (i) At September 30, 2021, the aggregate cost for federal income tax purposes approximates the aggregate cost for book purposes. The aggregate gross unrealized appreciation is approximately \$66,453,000 and the aggregate gross unrealized depreciation is approximately \$27,526,000, resulting in net unrealized appreciation of approximately \$38,927,000.
- (j) Securities are available for collateral in connection with securities purchased on a forward commitment basis.
- (k) Represents an unfunded subscription agreement in a private investment in a public entity. The Fund is committed to purchase 129,934 shares at \$10.00 per share on the settlement date pursuant to the closing of the business combination between Aurora Innovation, Inc., and Reinvent Technology Partners Y, 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 and Reinvent Technology Partners Y, and Aurora Innovation, Inc., 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 Reinvent Technology Partners Y, and Aurora Innovation, Inc. The investment is restricted from resale until the settlement date.
- (l) 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.

PIPE Private Investment in Public Equity.

SPAC Special Purpose Acquisition Company.

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Call Options Purchased:

The Fund had the following call options purchased open at September 30, 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 7.45	Jan-22	75,453,606	75,454	\$ 6	\$ 403	\$ (397)
BNP Paribas	USD/CNH	CNH 7.64	Nov-21	60,267,001	60,267	—@	327	(327)
Goldman Sachs International	USD/CNH	CNH 7.57	Mar-22	75,023,260	75,023	29	373	(344)
JP Morgan Chase Bank NA	USD/CNH	CNH 7.28	Jul-22	85,091,612	85,092	216	396	(180)
JP Morgan Chase Bank NA	USD/CNH	CNH 7.31	Aug-22	37,813,460	37,813	98	257	(159)
JP Morgan Chase Bank NA	USD/CNH	CNH 7.38	Jul-22	24,370,551	24,371	52	129	(77)
						<u>\$ 401</u>	<u>\$ 1,885</u>	<u>\$ (1,484)</u>

@ Value is less than \$500.

CNH — Chinese Yuan Renminbi Offshore

USD — United States Dollar

Portfolio Composition*

Classification	Percentage of Total Investments
Other**	25.0%
Information Technology Services	24.7
Software	18.3
Interactive Media & Services	12.2
Internet & Direct Marketing Retail	7.5
Short-Term Investments	6.7
Health Care Technology	5.6
Total Investments	<u>100.0%***</u>

* Percentages indicated are based upon total investments (excluding Securities held as Collateral on Loaned Securities) as of September 30, 2021.

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

*** Does not include an open PIPE contract with total unrealized depreciation of approximately \$183,000.

Morgan Stanley Variable Insurance Fund, Inc.

Notes to the Portfolio of Investments - September 30, 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 Interbank Offered Rate ("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; (9) PIPE investments may be valued based on the underlying stock price less a discount until the commitment is fulfilled and shares are registered; and (10) 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 September 30, 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	\$ 12,998	\$ —	\$ —	\$ 12,998
Biotechnology	7,131	—	—	7,131
Diversified Holding Companies	1,849	—	—	1,849
Entertainment	16,132	—	—	16,132
Health Care Providers & Services	11,738	—	—	11,738
Health Care Technology	16,170	4,051	—	20,221
Information Technology Services	89,149	—	—	89,149
Interactive Media & Services	43,863	—	—	43,863
Internet & Direct Marketing Retail	26,871	—	—	26,871
Leisure Products	2,915	—	—	2,915
Life Sciences Tools & Services	6,691	—	—	6,691
Metals & Mining	975	—	—	975
Pharmaceuticals	8,652	—	—	8,652
Real Estate Management & Development	5,806	—	—	5,806
Software	57,649	5,596	—	63,245
Specialty Retail	12,702	—	—	12,702
Total Common Stocks	321,291	9,647	—	330,938
Preferred Stocks				
Internet & Direct Marketing Retail	260	—	—	261
Software	—	—	2,666	2,666
Total Preferred Stocks	260	—	2,666	2,926
Investment Company	2,511	—	—	2,511
Warrant	56	—	—	56
Call Options Purchased	—	401	—	401
Short-Term Investments				
Investment Company	25,008	—	—	25,008
Repurchase Agreements	—	191	—	191
Total Short-Term Investments	25,008	191	—	25,199
Total Assets	349,126	10,239	2,666	362,031
Liabilities:				
Derivative Contract — PIPE	—	—	(183)	(183)
Total	\$ 349,126	\$ 10,239	\$ 2,483	\$ 361,848

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

Discovery	Common Stock (000)	Preferred Stocks (000)	Derivative Contract — PIPE (000)
Beginning Balance	\$ 929	\$ -	\$ -
Purchases	-	2,666	-
Sales	-	-	-
PIPE transactions	-	-	(183)
Amortization of discount	-	-	-
Transfers in	-	-	-
Transfers out	(929)†	-	-
Corporate actions	-	-	-
Change in unrealized appreciation (depreciation)	-	-	-
Realized gains (losses)	-	-	-
Ending Balance	\$ -	\$ 2,666	\$ (183)
Net change in unrealized appreciation (depreciation) from investments still held as of September 30, 2021	\$ -	\$ -	\$ (183)

† A security transferred out of level 3 due to an Initial Public Offering.

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 September 30, 2021. Various valuation techniques were used in the valuation of certain investments and weighted based on the level of significance:

Discovery	Fair Value at September 30, 2021 (000)	Valuation Technique	Unobservable Input	Amount*	Impact to Valuation from an Increase in Input**
Preferred Stock	\$ 2,666	Market Transaction Method	Precedent Transaction Discount for Lack of Marketability and Transaction Risk	\$ 220.45	Increase
PIPE	\$ (183)	Market Implied		13.5%	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.

