

Morgan Stanley

Global Strategist Portfolio (formerly Global Tactical Asset Allocation Portfolio)

The Portfolio 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.

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Expense Example (unaudited)

Global Strategist Portfolio

As a shareholder of the Global Strategist Portfolio (the “Portfolio”), you incur two types of costs: (1) insurance company charges; and (2) ongoing costs, including advisory fees, administration fees, distribution (12b-1) fees and other Portfolio expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Portfolio 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, 2015 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 Portfolio’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Portfolio’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 Portfolio 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 7/1/15	Actual Ending Account Value 12/31/15	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	\$952.70	\$1,021.07	\$4.04	\$4.18	0.82%
Global Strategist Portfolio Class II	1,000.00	952.40	1,020.57	4.53	4.69	0.92

* Expenses are calculated using each Portfolio 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 Portfolio seeks total return. The Portfolio seeks to achieve total return by investing in a blend of equity and fixed income securities of U.S. and non-U.S. issuers.

Performance

For the fiscal year ended December 31, 2015, the Portfolio had a total return based on net asset value and reinvestment of distributions per share of –6.39%, net of fees, for Class I shares and –6.53%, net of fees, for Class II shares. The Portfolio's Class I and Class II shares underperformed the Portfolio's benchmark, the MSCI All Country World Index (the "Index"), which returned –2.36%, and underperformed the Customized MSIM Global Allocation Index (comprised of 60% MSCI All Country World Index, 30% Barclays Global Aggregate Bond Index, 5% S&P GSCI Light Energy Index, and 5% Bank of America/Merrill Lynch U.S. Dollar 1-Month LIBID Average Index), which returned –3.51%. (Portfolio and benchmark index performance in U.S. dollar ("USD") terms).

Factors Affecting Performance*

- Global equities were up 1.3% in local currency terms in 2015 (–2.4% USD), performing in line with bonds, which rose 1.3% in local currency terms (–2.6% USD), and outperforming commodities, which fell –32.9% USD.ⁱ The U.S. economic expansion gained momentum, and the U.S. Federal Reserve (Fed) hiked rates in December for the first time in over a decade, marking the end of the "ZIRP" (zero interest rate policy) regime. Meanwhile, China began exporting weakness to the rest of the world, and volatility spiked significantly in August as global growth fears mounted. Oil prices continued to tumble as OPEC (Organization of the Petroleum Exporting Countries) increased production, and inflation expectations fell across developed markets.
- U.S. equities slightly outperformed global equities in 2015 (with the S&P 500 Index advancing +1.4%). Employment data finally broke out of its tepid range in October, with the unemployment rate falling to 5.0% and wage growth picking up to +2.5% year-over-year.ⁱⁱ Although strength in the labor market came as a relief, U.S. equities began to sell off in December as the realization of monetary policy normalization set in amid slowing global growth.
- Eurozone equities gained +6.4% in local currency terms (as measured by the EUROSTOXX 50 Index) in 2015, but fell –4.4% in USD terms as the euro depreciated by –10.2% versus the U.S. dollar. Positive progress in the eurozone recovery was overshadowed by a second Greek debt crisis, which reached a boiling point in July, and then by investor fears over Europe's emerging market exposure during the sell-off in August and September. The European Central Bank (ECB) ended the year on a surprisingly hawkish note, disappointing investors by failing to increase easing measures.
- Emerging market equities underperformed in 2015, with the MSCI Emerging Markets Index tumbling –15.0% in USD. Massive fiscal and monetary policy easing in China fueled a bubble in the Chinese equities market, which burst in June as growth data failed to respond to government efforts. Activity failed to stabilize during the second half of the year, and growth remained weak in both the manufacturing and services sectors. The MSCI China Index finished the year down –7.8% in USD after falling –28% from its April peak. Falling commodity prices and a deepening recession in Brazil (MSCI Brazil Index declined –41.4% in USD) also weighed on emerging market assets, and stalling progress on reforms halted the rally in India (MSCI India Index lost –6.1% in USD).
- Japanese equities outperformed during 2015, with the MSCI Japan Index up +9.6% in local currency terms. Following early gains, Japan began to underperform during the second half of the year, as S&P downgraded its sovereign credit rating, citing disappointment with "Abenomics," and Japan narrowly escaped a technical recession during the third quarter.
- The Portfolio's asset allocation mix of an average overweight in equities, an underweight in fixed income, an underweight in commodities, and an overweight in cash contributed positively to relative performance.

* Certain of the Portfolio'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 Portfolio may also invest in foreign currency forward exchange contracts, which are also derivatives, in connection with its investments in foreign securities. The Portfolio 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 Portfolio's performance during the period.

(i) Data sources for index returns: Bloomberg L.P., FactSet. Global equities, bonds and commodities are represented by the MSCI All Country World Index, the JPMorgan Global Government Bond Index Unhedged, and the S&P GSCI Total Return Index, respectively.

(ii) Source: U.S. Bureau of Labor Statistics, data as of December 2015.

Investment Overview (unaudited) (cont'd)

Global Strategist Portfolio

- The Portfolio's best-performing investments in 2015 were positions with indirect exposure to our China slowdown theme, including underweight positions in China-sensitive currencies, global machinery stocks versus global equities, and copper. However, these gains were offset by losses from positions with direct exposure to China (underweight Chinese A-shares, underweight Chinese H-shares versus global equities), as we were stopped out of the majority of these positions before the bubble in Chinese equities ultimately burst.
- Tactical overweight positions in eurozone and global equities, which we initiated once sentiment reached an extreme in September, contributed positively to performance, as did our Swedish reflation theme (overweight Swedish krona versus Swiss franc, underweight Swedish versus German 10-year rates), and our overweight Russia theme (overweight Russian ruble and Russian bonds).
- Our higher U.S. rates/Fed behind the curve theme detracted from performance: underweight positions in U.S. 5-year and 2-year rates, overweight positions in gold mining stocks versus U.S. equities and in U.S. 10-year inflation breakevens. Within this theme, underweight positions in U.S. credit spreads contributed positively (U.S. high yield credit spreads increased by over +200 basis points during the yearⁱⁱⁱ).
- Our eurozone recovery theme also detracted from performance, including overweight positions in eurozone versus U.S. equities, and an underweight position in European staples stocks versus European equities. An overweight position in Greek bonds contributed positively to performance.
- Our overweight energy theme (overweight U.S. energy stocks versus U.S. equities; overweight Brent oil) also detracted.
- We are underweight U.S. equities. The U.S. economy is in the late stages of the cycle and margins are peaking. Our earnings models point to only 2-3% earnings per share (EPS) growth in 2016 (versus consensus expectations for 7.5% EPS growth), as wages and unit labor costs rise amid disappointing growth. Taking into account our forecast for a 5% earnings miss, and our expectation for roughly 7-10% multiple compression (a Fed tightening cycle has historically caused 10-15% multiple compression, on average), we believe that U.S. equities are unlikely to produce positive returns in 2016.
- We are overweight eurozone equities. We believe that the eurozone economic recovery will continue, with gross domestic product (GDP) growth accelerating to 1.8% in 2016. Eurozone unemployment has declined by 1% over the last year, and we expect this pace of cyclical improvement to persist through 2016. We also expect the weaker currency and lower energy prices to provide an ongoing tailwind. We expect GDP acceleration to drive robust earnings growth, particularly relative to the U.S., where we think the prospects for economic growth are weakening and 2016 consensus earnings expectations are likely to be disappointed. In contrast, we believe that eurozone earnings will beat consensus expectations, growing +9% in 2016 versus +7.5% expected by consensus. In addition, we expect monetary policies in the eurozone and the U.S. to continue to diverge as the Fed hikes rates while the ECB expands its balance sheet, supporting relative eurozone valuations.
- We are underweight Japanese equities. We believe the bull market in Japan is over. In contrast to the hype about "Abenomics," Japanese wages and consumption have flat-lined and employment growth is anemic. According to the Bank of Japan, trend GDP growth is only 0.25%, and as the Japanese economy is already quite advanced in its economic cycle, we expect growth to continue to slow (to 0.5% real GDP growth in 2016). 2015 profits were still

Management Strategies^{iv}

- As of December 31, 2015, the Portfolio's allocation was approximately 58% global equities, 31% global fixed income, 0% commodities and 11% cash.
- Heading into 2016, we are cautious on risky assets. We expect global growth to be soft due to slowing growth in China and emerging markets, with neither stocks nor bonds generating positive returns in 2016. However, we do see pockets of opportunity in financial markets where

(iii) Data based on the Barclays U.S. Corporate High Yield Index.

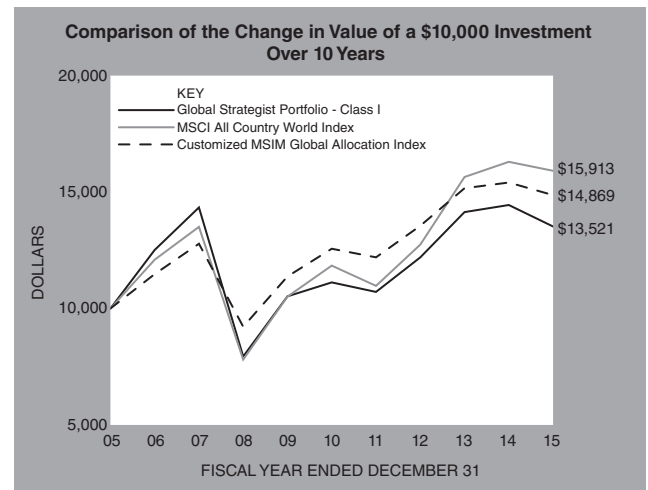
(iv) Source: Morgan Stanley Investment Management (MSIM) Global Multi-Asset Team analysis; consensus estimates sourced from Thomson Reuters IBES.

Investment Overview (unaudited) (cont'd)

Global Strategist Portfolio

strong, boosted by corporate tax cuts and the lagged effects of a lower yen, but these impacts are waning. Japan's sensitivity to China also exposes its economy to weakness, and we expect the ongoing emerging markets slowdown to exacerbate the already vulnerable situation, making it particularly difficult for Japan to reach its goal of continued inflation acceleration. As a result, we expect that the market will increasingly recognize that Abenomics' three components — monetary easing, fiscal stimulus and structural reform — have largely failed.

- We are neutral on emerging market equities. Although some leading indicators of Chinese growth had appeared to stabilize in the second half of 2015, activity has remained weak and credit, liquidity, and property momentum has since stalled. The emerging market manufacturing PMI (Purchasing Managers Index), excluding China, fell to a post-crisis low in November and remains in contraction territory. The Chinese central bank's announced intention to weaken its currency relative to a basket of trade partner currencies bears negative implications for growth and inflation throughout emerging markets. Moreover, China's massive monetary and fiscal policy easing still fails to address its structural excesses of over-indebtedness and overinvestment, which we expect to remain a headwind for broad emerging market growth over the medium term.
- We are neutral on fixed income. We expect the U.S. Fed to continue in normalizing rates, as the U.S. domestic economy is doing okay, the labor market is becoming tight, and we're at the point where, historically, wages have begun to accelerate. That being said, the global growth outlook remains at risk, and U.S. manufacturing PMIs softened during the fourth quarter. We are actively monitoring the extent to which manufacturing weakness could spread to housing, investment and consumption, or whether this weakness will be reversed. If China weakens substantially, the Fed may moderate the pace and magnitude of hikes, and U.S. bonds could outperform. However, if China only slows moderately and the U.S. domestic economy continues to grow at a moderate pace, the Fed will likely have a bias to tighten, and it is typically difficult for bonds to make significant headway while interest rates are being raised.
- In sum, our main themes are centered around the eurozone economic recovery with particular outperformance in Sweden, the unwinding of the yield bubble, the slowdown in China and the commodity supply chain, and a few idiosyncratic themes such as the aerospace cycle peaking.



In accordance with SEC regulations, the Portfolio'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 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, 2015			
	Total Returns ⁽³⁾			
	Average Annual			
	One Year	Five Years	Ten Years	Since Inception ⁽⁶⁾
Portfolio — Class I ⁽⁴⁾	-6.39%	3.98%	3.06%	3.53%
MSCI All Country World Index	-2.36	6.09	4.76	5.61
Customized MSIM Global Allocation Index	-3.51	3.42	4.05	—
Portfolio — Class II ⁽⁵⁾	-6.53	—	—	3.96
MSCI All Country World Index	-2.36	—	—	6.56
Customized MSIM Global Allocation Index	-3.51	—	—	3.59

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 Portfolio 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 Portfolio distributions or the redemption of Portfolio 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 (ACWI) 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

Investment Overview (unaudited) (cont'd)

Global Strategist Portfolio

of shares outstanding that are deemed to be available for purchase in the public equity markets by investors. 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 comprised of 60% MSCI All Country World Index (benchmark that measures the equity market performance of developed and emerging markets), 30% Barclay Global Aggregate Bond 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), 5% Bank of America/Merrill Lynch 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 portfolio 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 Portfolio reflect fees waived and expenses reimbursed, if applicable, by 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 Portfolio, not the inception of the Index.

Portfolio of Investments

Global Strategist Portfolio

	Face Amount (000)	Value (000)
Fixed Income Securities (42.4%)		
Agency Fixed Rate Mortgages (2.9%)		
United States (2.9%)		
Federal Home Loan Mortgage Corporation, Gold Pools:		
3.50%, 1/1/44 - 6/1/45	\$ 820	\$ 846
January TBA:		
3.50%, 1/1/31 (a)	350	366
4.00%, 1/1/46 (a)	444	469
Federal National Mortgage Association, Conventional Pools:		
3.00%, 5/1/30 - 4/1/45	438	444
3.50%, 4/1/29	158	165
4.00%, 11/1/41 - 4/1/45	653	693
4.50%, 3/1/41 - 11/1/44	418	455
5.00%, 1/1/41 - 3/1/41	186	207
6.00%, 1/1/38	37	42
6.50%, 8/1/38	7	8
Government National Mortgage Association, January TBA:		
3.50%, 1/20/46 (a)	110	114
Various Pools:		
3.50%, 12/15/43	206	215
4.00%, 7/15/44	103	110
Total Agency Fixed Rate Mortgages (Cost \$4,137)		4,134
Asset-Backed Securities (0.3%)		
United States (0.3%)		
CVS Pass-Through Trust 6.04%, 12/10/28	177	195
Louisiana Public Facilities Authority 0.00%, 4/26/27 (b)	109	109
North Carolina State Education Assistance Authority 1.12%, 7/25/25 (b)	93	91
Total Asset-Backed Securities (Cost \$376)		395
Collateralized Mortgage Obligations — Agency Collateral Series (0.2%)		
United States (0.2%)		
Federal Home Loan Mortgage Corporation, 2.36%, 7/25/22	99	98
2.40%, 6/25/22	245	244
Total Collateralized Mortgage Obligations — Agency Collateral Series (Cost \$351)		342
Commercial Mortgage-Backed Securities (1.1%)		
United States (1.1%)		
COMM Mortgage Trust, 3.28%, 1/10/46	45	45
3.96%, 3/10/47	144	150
4.74%, 7/15/47 (b)(c)	100	87
Commercial Mortgage Pass-Through Certificates, 2.82%, 10/15/45	57	56
4.24%, 2/10/47 (b)	77	83

	Face Amount (000)	Value (000)
Extended Stay America Trust, 2.96%, 12/5/31 (c)	\$ 100	\$ 100
JPMBB Commercial Mortgage Securities Trust, 3.96%, 9/15/47 (b)(c)	100	81
4.56%, 9/15/47 (b)(c)	102	82
4.66%, 8/15/47 (b)(c)	144	121
NLY Commercial Mortgage Trust, 1.53%, 11/15/30 (b)(c)	69	69
UBS-Barclays Commercial Mortgage Trust, 3.53%, 5/10/63	40	41
Wells Fargo Commercial Mortgage Trust, 1.36%, 2/15/27 (b)(c)	199	197
3.94%, 8/15/50 (c)	245	198
WF-RBS Commercial Mortgage Trust, 3.99%, 5/15/47 (c)	150	123
3.99%, 10/15/57 (b)(c)	144	119
Total Commercial Mortgage-Backed Securities (Cost \$1,603)		1,552
Corporate Bonds (10.2%)		
Australia (0.6%)		
Australia & New Zealand Banking Group Ltd., 4.88%, 1/12/21 (c)	100	110
5.13%, 9/10/19	EUR 100	124
BHP Billiton Finance USA Ltd., 3.85%, 9/30/23	\$ 70	66
Commonwealth Bank of Australia, 5.00%, 3/19/20 (c)	50	55
Macquarie Bank Ltd., 6.63%, 4/7/21 (c)	85	95
Origin Energy Finance Ltd., 3.50%, 10/9/18 (c)	200	195
Telstra Corp., Ltd., 3.13%, 4/7/25 (c)	55	53
Transurban Finance Co. Pty Ltd., 4.13%, 2/2/26 (c)	70	69
Wesfarmers Ltd., 1.87%, 3/20/18 (c)	25	25
2.98%, 5/18/16 (c)	75	76
		868
Belgium (0.1%)		
Anheuser-Busch InBev Finance, Inc., 3.70%, 2/1/24	125	128
Brazil (0.0%)		
Vale Overseas Ltd., 6.88%, 11/21/36	75	53
Canada (0.1%)		
Barrick Gold Corp., 4.10%, 5/1/23	25	21
Brookfield Asset Management, Inc., 5.80%, 4/25/17	35	36
Goldcorp, Inc., 3.70%, 3/15/23	73	67
		124

Portfolio of Investments (cont'd)

Global Strategist Portfolio

	Face Amount (000)	Value (000)
Corporate Bonds (cont'd)		
China (0.3%)		
Baidu, Inc., 3.25%, 8/6/18	\$ 225	\$ 228
Want Want China Finance Ltd., 1.88%, 5/14/18 (c)	200	196
		424
Colombia (0.1%)		
Ecopetrol SA, 5.88%, 9/18/23	110	101
France (1.0%)		
AXA SA, 3.94%, 11/7/24 (b)(d)	EUR 200	215
Banque Federative du Credit Mutuel SA, 2.00%, 9/19/19	200	230
BNP Paribas SA, 5.00%, 1/15/21	\$ 85	94
MTN 4.25%, 10/15/24	200	198
BPCE SA, 5.15%, 7/21/24 (c)	200	202
Credit Agricole Assurances SA, 4.25%, 1/13/25 (b)(d)	EUR 200	207
Credit Agricole SA, 3.90%, 4/19/21	50	61
Electricite de France SA, 5.00%, 1/22/26 (b)(d)	100	107
LVMH Moet Hennessy Louis Vuitton SE, 1.63%, 6/29/17 (c)	\$ 75	75
		1,389
Germany (0.6%)		
Bayer AG, 3.75%, 7/1/74 (b)	EUR 100	110
KFW, 4.00%, 1/16/19	AUD 500	379
Muenchener Rueckversicherungs- Gesellschaft AG in Muenchen, 6.00%, 5/26/41 (b)	EUR 100	128
Vier Gas Transport GmbH, 3.13%, 7/10/23	100	122
Volkswagen International Finance N.V., 2.38%, 3/22/17 (c)	\$ 100	100
		839
Hong Kong (0.1%)		
Hutchison Whampoa International 14 Ltd., 1.63%, 10/31/17 (c)	200	198
Italy (0.3%)		
Assicurazioni Generali SpA, 10.13%, 7/10/42 (b)	EUR 100	145
FCA Capital Ireland PLC, 1.38%, 4/17/20	100	108
Intesa Sanpaolo SpA, 6.50%, 2/24/21 (c)	\$ 100	113
Telecom Italia Finance SA, 7.75%, 1/24/33	EUR 30	43

	Face Amount (000)	Value (000)
UniCredit SpA, 4.25%, 7/29/16	EUR 50	\$ 56
		465
Korea, Republic of (0.2%)		
Export-Import Bank of Korea, 4.00%, 1/14/24	\$ 200	212
Malaysia (0.1%)		
Petronas Capital Ltd., 3.50%, 3/18/25 (c)	200	193
Netherlands (0.6%)		
ABN Amro Bank N.V., 2.50%, 10/30/18 (c)	200	201
3.63%, 10/6/17	EUR 50	58
ASR Nederland N.V., 5.00%, 9/30/24 (b)(d)	200	215
Cooperatieve Centrale Raiffeisen- Boerenleenbank BA, 3.88%, 2/8/22	\$ 50	53
Series G 3.75%, 11/9/20	EUR 50	60
ING Bank N.V., 5.80%, 9/25/23 (c)	\$ 200	218
Shell International Finance BV, 2.13%, 5/11/20	100	98
		903
Spain (0.4%)		
Banco Bilbao Vizcaya Argentaria SA, 3.63%, 1/18/17	EUR 50	56
Santander Issuances SAU, 2.50%, 3/18/25	200	204
Telefonica Emisiones SAU, 4.71%, 1/20/20	200	249
		509
Switzerland (0.4%)		
ABB Treasury Center USA, Inc., 4.00%, 6/15/21 (c)	\$ 50	52
Aquarius and Investments PLC for Zurich Insurance Co., Ltd., 4.25%, 10/2/43 (b)	EUR 150	178
Credit Suisse AG, 0.63%, 11/20/18	200	219
6.00%, 2/15/18	\$ 25	27
Glencore Funding LLC, 4.13%, 5/30/23 (c)	100	74
Novartis Capital Corp., 4.40%, 5/6/44	75	78
		628
Thailand (0.1%)		
PTT Exploration & Production PCL, 3.71%, 9/16/18 (c)	200	206
United Kingdom (0.9%)		
Abbey National Treasury Services PLC, 4.00%, 3/13/24	50	52
BAT International Finance PLC, 5.38%, 6/29/17	EUR 50	59

Portfolio of Investments (cont'd)

Global Strategist Portfolio

	Face Amount (000)	Value (000)		Face Amount (000)	Value (000)
Corporate Bonds (cont'd)					
GlaxoSmithKline Capital, Inc., 6.38%, 5/15/38	\$ 25	\$ 32	Coca-Cola Co., 3.20%, 11/1/23	\$ 100	\$ 104
Heathrow Funding Ltd., 4.60%, 2/15/20	EUR 50	59	Comcast Corp., 4.60%, 8/15/45	30	30
4.88%, 7/15/23 (c)	\$ 100	108	Enterprise Products Operating LLC, 3.35%, 3/15/23	50	45
HSBC Holdings PLC, 4.25%, 3/14/24	200	201	5.25%, 1/31/20	35	37
Imperial Tobacco Finance PLC, 8.38%, 2/17/16	EUR 50	55	Five Corners Funding Trust, 4.42%, 11/15/23 (c)	200	209
Lloyds Bank PLC, 6.50%, 3/24/20	150	198	Ford Motor Credit Co., LLC, 4.21%, 4/15/16	100	101
Nationwide Building Society, 6.25%, 2/25/20 (c)	\$ 270	309	General Electric Capital Corp., 5.30%, 2/11/21	100	113
NGG Finance PLC, 5.63%, 6/18/73 (b)	GBP 100	152	MTN 5.88%, 1/14/38	25	31
		1,225	Series G 6.00%, 8/7/19	145	164
United States (4.3%)			General Motors Financial Co., Inc., 4.30%, 7/13/25	100	97
AbbVie, Inc., 3.60%, 5/14/25	\$ 75	74	Genworth Holdings, Inc., 7.20%, 2/15/21	50	42
4.70%, 5/14/45	25	25	Gilead Sciences, Inc., 3.65%, 3/1/26	75	76
Actavis Funding SCS, 3.80%, 3/15/25	25	25	4.80%, 4/1/44	25	25
Altria Group, Inc., 2.85%, 8/9/22	30	29	Goldman Sachs Group, Inc. (The), 6.75%, 10/1/37	125	147
5.38%, 1/31/44	55	59	MTN 4.80%, 7/8/44	25	25
American International Group, Inc., 4.88%, 6/1/22	50	54	Hewlett Packard Enterprise Co., 3.60%, 10/15/20 (c)	125	125
Apple, Inc., 3.85%, 5/4/43	50	46	Home Depot, Inc., 5.88%, 12/16/36	50	61
AT&T, Inc., 6.30%, 1/15/38	75	82	HSBC Finance Corp., 6.68%, 1/15/21	50	57
AvalonBay Communities, Inc., 2.95%, 9/15/22	50	50	HSBC USA, Inc., 3.50%, 6/23/24	100	100
Bank of America Corp., 5.70%, 1/24/22	25	28	International Business Machines Corp., 1.95%, 2/12/19	100	101
MTN 4.00%, 4/1/24	120	123	JPMorgan Chase & Co., 3.20%, 1/25/23	25	25
4.20%, 8/26/24	50	50	3.88%, 2/1/24	70	72
4.25%, 10/22/26	34	34	4.25%, 10/15/20	50	53
5.00%, 1/21/44	70	73	4.63%, 5/10/21	140	151
Baxalta, Inc., 4.00%, 6/23/25 (c)	125	124	Kinder Morgan Energy Partners LP, 4.15%, 2/1/24	50	43
Bayer US Finance LLC, 3.38%, 10/8/24 (c)	200	202	Kinder Morgan, Inc., 4.30%, 6/1/25	50	43
Boston Properties LP, 3.85%, 2/1/23	75	77	Liberty Mutual Group, Inc., 4.85%, 8/1/44 (c)	25	23
Burlington Northern Santa Fe LLC, 4.55%, 9/1/44	75	73	McDonald's Corp., 3.38%, 5/26/25	100	98
CCO Safari II LLC, 4.91%, 7/23/25 (c)	125	125	Medtronic, Inc., 3.63%, 3/15/24	100	103
6.48%, 10/23/45 (c)	50	50	4.63%, 3/15/45	25	26
Citigroup, Inc., 5.50%, 9/13/25	75	82	Merck & Co., Inc., 2.80%, 5/18/23	100	100
6.68%, 9/13/43	20	25	Monongahela Power Co., 5.40%, 12/15/43 (c)	50	56
8.13%, 7/15/39	75	108			

Portfolio of Investments (cont'd)

Global Strategist Portfolio

	Face Amount (000)	Value (000)
Corporate Bonds (cont'd)		
NBC Universal Media LLC, 4.38%, 4/1/21	\$ 130	\$ 141
NetApp, Inc., 2.00%, 12/15/17	25	25
Ohio Power Co., Series M 5.38%, 10/1/21	75	84
Omnicom Group, Inc., 3.63%, 5/1/22	30	30
3.65%, 11/1/24	32	32
Oncor Electric Delivery Co., LLC, 6.80%, 9/1/18	80	89
Oracle Corp., 3.40%, 7/8/24	75	76
PepsiCo, Inc., 3.60%, 3/1/24	100	105
Philip Morris International, Inc., 2.13%, 5/30/19	EUR 100	115
Plains All American Pipeline LP/PAA Finance Corp., 6.70%, 5/15/36	\$ 60	54
8.75%, 5/1/19	110	121
PPL WEM Ltd./Western Power Distribution Ltd., 3.90%, 5/1/16 (c)	60	60
Principal Financial Group, Inc., 8.88%, 5/15/19	50	60
Prudential Financial, Inc., MTN 6.63%, 12/1/37	40	49
QUALCOMM, Inc., 4.65%, 5/20/35	100	93
Spectra Energy Capital LLC, 7.50%, 9/15/38	50	50
Tyco International Finance SA, 3.90%, 2/14/26	75	75
UnitedHealth Group, Inc., 3.75%, 7/15/25	100	103
4.25%, 3/15/43	25	24
Verizon Communications, Inc., 4.67%, 3/15/55	82	71
5.01%, 8/21/54	94	86
Visa, Inc., 3.15%, 12/14/25	150	150
Wal-Mart Stores, Inc., 2.55%, 4/11/23	175	173
Wells Fargo & Co., 4.13%, 8/15/23	40	42
Series M 3.45%, 2/13/23	100	100
Zimmer Biomet Holdings, Inc., 5.75%, 11/30/39	50	55
		6,164
Total Corporate Bonds (Cost \$14,830)		14,629

	Face Amount (000)	Value (000)
Mortgages — Other (0.4%)		
United States (0.4%)		
Freddie Mac Whole Loan Securities Trust, 3.00%, 9/25/45	\$ 197	\$ 194
3.50%, 5/25/45 - 9/25/45	370	375
4.00%, 5/25/45	49	51
Total Mortgages — Other (Cost \$621)		620
Sovereign (14.1%)		
Australia (0.4%)		
Australia Government Bond, 3.25%, 4/21/25	AUD 700	528
Austria (0.2%)		
Austria Government Bond, 1.20%, 10/20/25 (c)	EUR 200	224
		224
Belgium (0.4%)		
Belgium Government Bond, 0.80%, 6/22/25 (c)	250	268
3.00%, 9/28/19	190	230
		498
Bermuda (0.2%)		
Bermuda Government International Bond, 4.85%, 2/6/24 (c)	\$ 200	207
Canada (1.1%)		
Canadian Government Bond, 1.50%, 6/1/23	CAD 1,000	739
3.25%, 6/1/21	1,060	863
		1,602
China (0.1%)		
Sinopec Group Overseas Development 2015 Ltd., 2.50%, 4/28/20 (c)	\$ 200	197
France (1.1%)		
Credit Mutuel - CIC Home Loan SFH, 1.50%, 11/16/17 (c)	200	199
France Government Bond OAT, 3.25%, 5/25/45	EUR 350	484
5.50%, 4/25/29	500	818
		1,501
Germany (0.4%)		
Bundesrepublik Deutschland, 1.00%, 8/15/25	300	337
4.25%, 7/4/39	150	257
		594
Greece (0.3%)		
Hellenic Republic Government Bond, 3.00%, 2/24/23 - 2/24/42 (e)	680	457
Hungary (0.3%)		
Hungary Government International Bond, 5.38%, 3/25/24	\$ 52	57
5.75%, 11/22/23	360	404
		461

Portfolio of Investments (cont'd)

Global Strategist Portfolio

	Face Amount (000)	Value (000)
Sovereign (cont'd)		
Indonesia (0.4%)		
Indonesia Government International Bond, 5.88%, 1/15/24 (c)	\$ 400	\$ 430
Perusahaan Listrik Negara PT, 5.50%, 11/22/21	200	204
		634
Ireland (0.1%)		
Ireland Government Bond, 5.40%, 3/13/25	EUR 80	119
Italy (1.7%)		
Italy Buoni Poliennali Del Tesoro, 1.50%, 6/1/25	900	979
1.65%, 3/1/32 (c)	400	414
2.35%, 9/15/24 (c)	875	1,099
		2,492
Japan (2.7%)		
Japan Government Ten Year Bond, 0.50%, 9/20/24	JPY 65,000	556
1.10%, 3/20/21	90,000	791
Japan Government Thirty Year Bond, 1.70%, 6/20/33	170,000	1,623
2.00%, 9/20/40	87,000	856
		3,826
Korea, Republic of (0.1%)		
Korea Development Bank (The), 3.88%, 5/4/17	\$ 200	205
Mexico (0.2%)		
Mexican Bonos, MTN 8.00%, 6/11/20	MXN 3,000	192
Petroleos Mexicanos, 6.38%, 1/23/45	\$ 110	93
		285
Netherlands (0.2%)		
Netherlands Government Bond, 0.25%, 7/15/25 (c)	EUR 300	310
New Zealand (0.9%)		
New Zealand Government Bond, 4.50%, 4/15/27	NZD 700	520
5.50%, 4/15/23	1,050	824
		1,344
Poland (0.5%)		
Poland Government Bond, 4.00%, 10/25/23	PLN 2,700	747
Spain (0.9%)		
Spain Government Bond, 2.15%, 10/31/25 (c)	EUR 650	731
Spain Government Inflation Linked Bond, 1.00%, 11/30/30 (c)	310	331
1.80%, 11/30/24 (c)	221	263
		1,325

	Face Amount (000)	Value (000)
United Kingdom (1.9%)		
United Kingdom Gilt, 2.75%, 9/7/24	GBP 620	\$ 979
4.25%, 6/7/32 - 9/7/39	910	1,701
		2,680
Total Sovereign (Cost \$21,147)		20,236
U.S. Treasury Securities (13.2%)		
United States (13.2%)		
U.S. Treasury Bond, 3.50%, 2/15/39	\$ 1,050	1,162
U.S. Treasury Inflation Indexed Bonds, 0.25%, 1/15/25	1,908	1,823
0.38%, 7/15/25	15,744	15,255
U.S. Treasury Note, 2.38%, 6/30/18	800	823
Total U.S. Treasury Securities (Cost \$19,106)		19,063
Total Fixed Income Securities (Cost \$62,171)		60,971

	Shares	
Common Stocks (47.1%)		
Australia (0.8%)		
AGL Energy Ltd.	677	9
Alumina Ltd.	7,072	6
Amcor Ltd.	2,089	20
AMP Ltd.	5,422	23
ASX Ltd.	375	12
Australia & New Zealand Banking Group Ltd.	4,767	96
BHP Billiton Ltd.	4,416	57
Brambles Ltd.	2,319	19
CIMIC Group Ltd.	311	6
Coca-Cola Amatil Ltd.	403	3
Commonwealth Bank of Australia	1,913	118
CSL Ltd.	753	58
Evolution Mining Ltd.	11,859	12
Fortescue Metals Group Ltd.	2,175	3
GPT Group REIT	5,821	20
Incitec Pivot Ltd.	3,371	10
Insurance Australia Group Ltd.	3,794	15
Macquarie Group Ltd.	541	32
National Australia Bank Ltd.	3,553	78
Newcrest Mining Ltd. (f)	6,387	60
Northern Star Resources Ltd.	8,079	16
OceanaGold Corp. CDI	1,109	2
Orica Ltd.	817	9
Origin Energy Ltd.	1,806	6
Orora Ltd.	2,089	3
QBE Insurance Group Ltd.	2,655	24
Recall Holdings Ltd.	457	2
Rio Tinto Ltd.	594	19
Santos Ltd.	1,493	4
Scentre Group REIT	7,639	23
Shopping Centres Australasia Property Group REIT	338	1

Portfolio of Investments (cont'd)

Global Strategist Portfolio

	Shares	Value (000)		Shares	Value (000)
Australia (cont'd)					
South32 Ltd. (f)	7,996	\$ 6	Eldorado Gold Corp.	600	\$ 2
South32 Ltd. (f)	4,416	3	Eldorado Gold Corp.	6,600	20
Star Entertainment Grp Ltd. (The)	278	1	Enbridge, Inc.	900	30
Stockland REIT	6,842	20	Encana Corp.	900	5
Suncorp Group Ltd.	2,222	20	Franco-Nevada Corp.	1,000	46
Sydney Airport	562	3	Goldcorp, Inc.	800	9
Tabcorp Holdings Ltd.	285	1	Goldcorp, Inc.	3,500	40
Telstra Corp., Ltd.	5,482	22	Imperial Oil Ltd.	100	3
Transurban Group	2,557	20	Kinross Gold Corp. (f)	1,200	2
Treasury Wine Estates Ltd.	1,224	7	Kinross Gold Corp. (f)	13,600	25
Wesfarmers Ltd.	1,477	45	Loblaw Cos., Ltd.	129	6
Westfield Corp. REIT	3,501	24	Magna International, Inc.	600	24
Westpac Banking Corp.	3,877	94	Manulife Financial Corp.	2,900	43
Woodside Petroleum Ltd.	832	18	National Bank of Canada	400	12
Woolworths Ltd.	1,601	28	New Gold, Inc. (f)	5,400	12
		1,078	Osisko Gold Royalties Ltd.	800	8
Austria (0.0%)			Pan American Silver Corp.	1,900	12
BUWOG AG (f)	47	1	Penn West Petroleum Ltd.	500	—@
Erste Group Bank AG (f)	537	17	Potash Corp. of Saskatchewan, Inc.	900	15
Immofinanz AG (f)	955	2	Power Corp. of Canada	600	13
Verbund AG	128	2	Rogers Communications, Inc., Class B	400	14
Voestalpine AG	270	8	Royal Bank of Canada	1,200	64
		30	SEMAFO, Inc. (f)	3,500	9
Belgium (0.1%)			Silver Wheaton Corp.	400	5
Ageas	374	17	Silver Wheaton Corp.	2,900	36
Anheuser-Busch InBev N.V.	941	116	Sun Life Financial, Inc.	800	25
Colruyt SA	121	6	Suncor Energy, Inc.	1,600	41
Groupe Bruxelles Lambert SA	202	17	Teck Resources Ltd., Class B	500	2
KBC Groep N.V.	195	12	Thomson Reuters Corp.	500	19
Solvay SA	98	11	Toronto-Dominion Bank (The)	1,800	71
UCB SA	19	2	TransCanada Corp.	600	20
Umicore SA	216	9	Yamana Gold, Inc.	900	2
		190	Yamana Gold, Inc.	8,400	16
Canada (0.9%)					1,321
Agnico-Eagle Mines Ltd.	200	5	Chile (0.0%)		
Agnico-Eagle Mines Ltd.	1,400	37	Antofagasta PLC	2,119	15
Agrium, Inc.	200	18	China (0.4%)		
Bank of Montreal	500	28	Brilliance China Automotive Holdings Ltd. (g)	38,000	48
Bank of Nova Scotia	800	32	Byd Co., Ltd. H Shares (f)(g)	19,000	103
Barrick Gold Corp.	1,100	8	Dongfeng Motor Group Co., Ltd. H Shares (g)	76,000	101
Barrick Gold Corp.	37,030	273	Geely Automobile Holdings Ltd. (g)	180,000	95
BCE, Inc.	1,000	39	Great Wall Motor Co., Ltd. H Shares (g)	129,000	149
Blackberry Ltd. (f)	500	5	Guangzhou Automobile Group Co., Ltd. H Shares (g)	64,000	57
Brookfield Asset Management, Inc., Class A	1,050	33	Hanergy Thin Film Power Group Ltd. (f)(g)(h)(i)	18,000	1
Cameco Corp.	500	6	Wynn Macau Ltd. (g)	2,800	3
Canadian Imperial Bank of Commerce	500	33	Zhaojin Mining Industry Co., Ltd. H Shares (g)	7,000	4
Canadian National Railway Co.	1,000	56	Zijin Mining Group Co., Ltd. H Shares (g)	70,000	18
Canadian Natural Resources Ltd.	1,000	22			579
Canadian Pacific Railway Ltd.	200	26	Denmark (0.3%)		
Cenovus Energy, Inc.	800	10	AP Moeller - Maersk A/S Series A	9	12
Centerra Gold, Inc.	2,900	14	AP Moeller - Maersk A/S Series B	10	13
Crescent Point Energy Corp.	300	3	Danske Bank A/S	971	26
Detour Gold Corp. (f)	2,100	22	DSV A/S	518	20

Portfolio of Investments (cont'd)

Global Strategist Portfolio

	Shares	Value (000)
Denmark (cont'd)		
Novo Nordisk A/S Series B	4,075	\$ 234
Novozymes A/S Series B	330	16
Vestas Wind Systems A/S	462	32
		353
Finland (0.1%)		
Elisa Oyj	277	10
Fortum Oyj	651	10
Kone Oyj, Class B	584	25
Metso Oyj	204	5
Nokia Oyj	6,631	47
Nokian Renkaat Oyj	240	8
Sampo Oyj, Class A	782	40
Stora Enso Oyj, Class R	1,002	9
UPM-Kymmene Oyj	554	10
Valmet Oyj	204	2
Wartsila Oyj	291	13
		179
France (1.8%)		
Accor SA	3,030	131
Aeroports de Paris (ADP)	55	6
Air Liquide SA	517	58
Airbus Group SE	675	45
Alcatel-Lucent (f)	7,885	31
Alstom SA (f)	406	12
Atos SE	1,164	98
AXA SA	3,131	86
BNP Paribas SA	2,001	113
Bouygues SA	3,960	157
Cap Gemini SA	2,523	233
Carrefour SA	744	21
CGG SA (f)	292	1
Christian Dior SE	127	22
Cie de Saint-Gobain	4,765	205
Cie Generale des Etablissements Michelin	381	36
Credit Agricole SA	2,594	31
Danone SA	776	52
Electricite de France SA	431	6
Engie	2,047	36
Essilor International SA	303	38
Fonciere Des Regions REIT	53	5
Gecina SA REIT	37	4
Groupe Eurotunnel SE	3,386	42
Hermes International	19	6
Klepierre REIT	319	14
L'Oreal SA	420	71
Legrand SA	195	11
LVMH Moet Hennessy Louis Vuitton SE	323	51
Orange SA	2,916	49
Pernod Ricard SA	369	42
Peugeot SA (f)	386	7
Publicis Groupe SA	312	21
Renault SA	333	33
Rexel SA	2,867	38

	Shares	Value (000)
Safran SA	259	\$ 18
Sanofi	799	68
Schneider Electric SE	802	46
SES SA	614	17
Societe Generale SA	1,500	69
Sodexo SA	272	26
Technip SA	165	8
Thales SA	156	12
Total SA	2,249	100
Unibail-Rodamco SE REIT	94	24
Vallourec SA	167	2
Veolia Environnement SA	586	14
Vinci SA	3,723	239
Vivendi SA	1,791	39
		2,494
Germany (1.0%)		
Adidas AG	279	27
Allianz SE (Registered)	584	103
BASF SE	710	54
Bayer AG (Registered)	980	123
Bayerische Motoren Werke AG	530	56
Commerzbank AG (f)	93	1
Continental AG	103	25
Daimler AG (Registered)	1,031	86
Deutsche Bank AG (Registered)	1,413	35
Deutsche Boerse AG	2,209	195
Deutsche Lufthansa AG (Registered) (f)	220	4
Deutsche Post AG (Registered)	738	21
Deutsche Telekom AG (Registered)	3,374	61
E.ON SE	2,336	23
Esprit Holdings Ltd. (g)	2,897	3
Fraport AG Frankfurt Airport Services Worldwide	43	3
Fresenius Medical Care AG & Co., KGaA	301	25
Fresenius SE & Co., KGaA	611	44
HeidelbergCement AG	75	6
Henkel AG & Co., KGaA	194	19
Henkel AG & Co., KGaA (Preference)	360	40
Infineon Technologies AG	1,553	23
K&S AG (Registered)	108	3
Lanxess AG	64	3
Linde AG	241	35
Merck KGaA	236	23
Metro AG	213	7
Muenchener Rueckversicherungs AG (Registered)	302	61
Osram Licht AG	69	3
Porsche Automobil Holding SE (Preference)	320	17
ProSiebenSat.1 Media SE (Registered)	1,946	98
QIAGEN N.V. (f)	570	15
RWE AG	589	8
Salzgitter AG	88	2
SAP SE	960	76
Siemens AG (Registered)	867	84
ThyssenKrupp AG	249	5
Volkswagen AG	44	7

Portfolio of Investments (cont'd)

Global Strategist Portfolio

	Shares	Value (000)
Germany (cont'd)		
Volkswagen AG (Preference)	237	\$ 34
Vonovia SE	155	5
		1,463
Greece (0.0%)		
National Bank of Greece SA (f)	9	—@
Hong Kong (0.3%)		
Bank of East Asia Ltd. (The)	3,487	13
BOC Hong Kong Holdings Ltd.	4,500	14
Cheung Kong Property Holdings Ltd.	4,052	26
CK Hutchison Holdings Ltd.	4,052	54
CLP Holdings Ltd.	2,700	23
G-Resources Group Ltd.	48,000	1
Global Brands Group Holding Ltd. (f)	8,000	2
Hang Lung Group Ltd.	1,000	3
Hang Lung Properties Ltd.	4,000	9
Hang Seng Bank Ltd.	1,700	32
Henderson Land Development Co., Ltd.	3,123	19
Hong Kong & China Gas Co., Ltd.	7,067	14
Hong Kong Exchanges and Clearing Ltd.	1,390	35
Kerry Logistics Network Ltd.	750	1
Kerry Properties Ltd.	1,500	4
Link REIT	2,754	17
MTR Corp., Ltd.	3,274	16
New World Development Co., Ltd.	7,407	7
Power Assets Holdings Ltd.	2,000	18
Sands China Ltd.	3,200	11
Sino Land Co., Ltd.	6,036	9
Sun Hung Kai Properties Ltd.	2,530	30
Swire Pacific Ltd., Class A	1,000	11
Swire Properties Ltd.	950	3
Wharf Holdings Ltd. (The)	1,400	8
		380
Ireland (0.1%)		
CRH PLC	4,347	126
CRH PLC	1,009	29
		155
Italy (0.4%)		
Assicurazioni Generali SpA	1,739	32
Atlantia SpA	6,903	183
Banco Popolare SC (f)	367	5
Enel Green Power SpA	1,917	4
Enel SpA	9,271	39
Eni SpA	2,827	42
Exor SpA	94	4
Finmeccanica SpA (f)	598	8
Intesa Sanpaolo SpA	14,744	49
Luxottica Group SpA	117	8
Mediobanca SpA	16,184	155
Prysmian SpA	198	4
Saipem SpA (f)	257	2
Snam SpA	1,686	9
Telecom Italia SpA (f)	14,342	18

	Shares	Value (000)
Telecom Italia SpA	3,838	\$ 4
Terna Rete Elettrica Nazionale SpA	1,572	8
UniCredit SpA	4,741	26
Unione di Banche Italiane SpA	803	6
		606
Japan (2.6%)		
Aeon Co., Ltd.	1,900	29
Aisin Seiki Co., Ltd.	400	17
Ajinomoto Co., Inc.	2,000	47
Asahi Glass Co., Ltd.	2,000	11
Asahi Group Holdings Ltd.	900	28
Asahi Kasei Corp.	3,000	20
Astellas Pharma, Inc.	2,500	36
Bank of Yokohama Ltd. (The)	5,000	31
Bridgestone Corp.	1,200	41
Canon, Inc.	1,300	39
Central Japan Railway Co.	234	41
Chubu Electric Power Co., Inc.	1,100	15
Chugoku Electric Power Co., Inc. (The)	700	9
Dai Nippon Printing Co., Ltd.	1,000	10
Dai-ichi Life Insurance Co., Ltd. (The)	1,700	28
Daiichi Sankyo Co., Ltd.	1,000	21
Daikin Industries Ltd.	400	29
Daiwa House Industry Co., Ltd.	2,000	57
Daiwa Securities Group, Inc.	5,000	31
Denso Corp.	700	33
East Japan Railway Co.	500	47
Eisai Co., Ltd.	600	40
FANUC Corp.	300	52
Fast Retailing Co., Ltd.	100	35
FUJIFILM Holdings Corp.	1,000	42
Fujitsu Ltd.	4,000	20
Hankyu Hanshin Holdings, Inc.	5,000	32
Hitachi Ltd.	5,000	28
Honda Motor Co., Ltd.	1,900	61
Hoya Corp.	900	37
Inpex Corp.	1,200	12
ITOCHU Corp.	2,200	26
Japan Tobacco, Inc.	1,246	46
JFE Holdings, Inc.	900	14
JX Holdings, Inc.	4,300	18
Kansai Electric Power Co., Inc. (The) (f)	1,200	14
Kao Corp.	700	36
KDDI Corp.	1,800	47
Keyence Corp.	200	110
Kintetsu Group Holdings Co., Ltd.	6,000	24
Kirin Holdings Co., Ltd.	2,000	27
Kobe Steel Ltd.	8,000	9
Komatsu Ltd.	1,600	26
Konica Minolta, Inc.	1,500	15
Kubota Corp.	3,000	46
Kuraray Co., Ltd.	1,000	12
Kyocera Corp.	600	28
Kyushu Electric Power Co., Inc. (f)	800	9

Portfolio of Investments (cont'd)

Global Strategist Portfolio

	Shares	Value (000)		Shares	Value (000)
Japan (cont'd)					
LIXIL Group Corp.	1,100	\$ 24	Sumitomo Mitsui Trust Holdings, Inc.	5,000	\$ 19
Marubeni Corp.	3,000	15	Sumitomo Realty & Development Co., Ltd.	1,000	28
Mitsubishi Chemical Holdings Corp.	3,500	22	Suzuki Motor Corp.	700	21
Mitsubishi Corp.	1,800	30	T&D Holdings, Inc.	1,700	22
Mitsubishi Electric Corp.	3,000	31	Takeda Pharmaceutical Co., Ltd.	900	45
Mitsubishi Estate Co., Ltd.	2,000	41	TDK Corp.	400	26
Mitsubishi Heavy Industries Ltd.	7,000	31	Terumo Corp.	1,000	31
Mitsui & Co., Ltd.	2,200	26	Tohoku Electric Power Co., Inc.	1,000	13
Mitsui Fudosan Co., Ltd.	2,000	50	Tokio Marine Holdings, Inc.	1,100	42
Mitsui OSK Lines Ltd.	3,000	8	Tokyo Electric Power Co., Inc. (f)	3,400	20
Mizuho Financial Group, Inc.	28,900	58	Tokyo Electron Ltd.	500	30
MS&AD Insurance Group Holdings, Inc.	1,100	32	Tokyo Gas Co., Ltd.	4,000	19
Murata Manufacturing Co., Ltd.	300	43	Tokyu Corp.	3,000	24
NEC Corp.	8,000	25	Toray Industries, Inc.	3,000	28
NGK Insulators Ltd.	1,000	23	Toshiba Corp. (f)	5,000	10
Nidec Corp.	400	29	Toyota Industries Corp.	800	43
Nikon Corp.	800	11	Toyota Motor Corp.	3,400	209
Nintendo Co., Ltd.	100	14	West Japan Railway Co.	400	28
Nippon Building Fund, Inc. REIT	4	19	Yahoo! Japan Corp.	4,700	19
Nippon Steel Sumitomo Metal Corp.	1,000	20	Yamada Denki Co., Ltd.	2,500	11
Nippon Telegraph & Telephone Corp.	1,400	56	Yamato Holdings Co., Ltd.	400	8
Nippon Yusen KK	3,000	7			3,743
Nissan Motor Co., Ltd.	3,000	31	Kazakhstan (0.0%)		
Nitto Denko Corp.	300	22	KAZ Minerals PLC (f)	1,579	2
Nomura Holdings, Inc.	5,300	29	Mexico (0.0%)		
NTT DoCoMo, Inc.	2,100	43	Primero Mining Corp. (f)	1,900	4
Odakyu Electric Railway Co., Ltd.	3,000	32	Netherlands (0.4%)		
Olympus Corp.	500	20	Akzo Nobel N.V.	419	28
Omron Corp.	700	23	Altice N.V., Class A (f)	10	—@
Oriental Land Co., Ltd.	800	48	ArcelorMittal	1,340	6
ORIX Corp.	1,710	24	ASML Holding N.V.	509	45
Osaka Gas Co., Ltd.	5,000	18	CNH Industrial N.V.	777	5
Panasonic Corp.	2,800	28	Fiat Chrysler Automobiles N.V. (f)	1,320	18
Rakuten, Inc.	2,000	23	Fugro N.V. CVA (f)	96	2
Ricoh Co., Ltd.	2,000	21	Heineken N.V.	613	52
Rohm Co., Ltd.	300	15	ING Groep N.V. CVA	5,750	77
Secom Co., Ltd.	500	34	Koninklijke Ahold N.V.	1,634	35
Sekisui House Ltd.	2,000	34	Koninklijke KPN N.V.	1,823	7
Seven & I Holdings Co., Ltd.	1,200	55	Koninklijke Philips N.V.	1,888	48
Sharp Corp. (f)	2,000	2	Koninklijke Vopak N.V.	116	5
Shikoku Electric Power Co., Inc.	500	8	PostNL N.V. (f)	656	3
Shin-Etsu Chemical Co., Ltd.	500	27	Randstad Holding N.V.	2,370	147
Shionogi & Co., Ltd.	1,200	54	TNT Express N.V.	586	5
Shiseido Co., Ltd.	800	17	Unilever N.V. CVA	1,953	85
Shizuoka Bank Ltd. (The)	3,000	29			568
SMC Corp.	200	52	Nicaragua (0.0%)		
SoftBank Group Corp.	1,100	55	B2Gold Corp. (f)	4,100	4
Sompo Japan Nipponkoa Holdings, Inc.	1,000	33	Norway (0.1%)		
Sony Corp.	1,300	32	Akastor ASA (f)	246	—@
Sumitomo Chemical Co., Ltd.	3,000	17	Aker Solutions ASA	246	1
Sumitomo Corp.	1,900	19	DNB ASA	2,312	29
Sumitomo Electric Industries Ltd.	1,200	17	Kvaerner ASA	246	—@
Sumitomo Metal Mining Co., Ltd.	1,000	12	Norsk Hydro ASA	1,778	7
Sumitomo Mitsui Financial Group, Inc.	1,900	72	Orkla ASA	1,208	10

Portfolio of Investments (cont'd)

Global Strategist Portfolio

	Shares	Value (000)
Norway (cont'd)		
REC Silicon ASA (f)	1,171	\$ —@
Statoil ASA	2,645	37
Subsea 7 SA (f)	420	3
Telenor ASA	1,337	22
Yara International ASA	352	15
		124
Peru (0.0%)		
Cia de Minas Buenaventura SA ADR (f)	3,500	15
Poland (0.0%)		
Jeronimo Martins SGPS SA	411	5
Portugal (0.0%)		
Banco Espirito Santo SA (Registered) (f)(h)	78,166	—@
EDP - Energias de Portugal SA	4,041	15
Galp Energia SGPS SA	421	5
Pharol SGPS SA (Registered) (f)	1,039	—@
		20
South Africa (0.2%)		
AngloGold Ashanti Ltd. ADR (f)	4,700	33
Gold Fields Ltd. ADR	9,300	26
Harmony Gold Mining Co., Ltd. ADR (f)	2,100	2
SABMiller PLC	4,472	268
		329
Spain (0.4%)		
Abertis Infraestructuras SA	497	8
ACS Actividades de Construcción y Servicios SA	323	9
Amadeus IT Holding SA, Class A	332	15
Banco Bilbao Vizcaya Argentaria SA	6,365	46
Banco de Sabadell SA	7,350	13
Banco Popular Espanol SA	1,018	3
Banco Santander SA	11,308	55
CaixaBank SA	1,402	5
Distribuidora Internacional de Alimentación SA (f)	947	6
Enagas SA	359	10
Ferrovial SA	597	13
Gas Natural SDG SA	327	7
Grifols SA	139	6
Grifols SA, Class B	19	1
Iberdrola SA	5,015	36
Industria de Diseño Textil SA	1,405	48
International Consolidated Airlines Group SA	20,628	184
Red Electrica Corp., SA	144	12
Repsol SA	1,485	16
Telefonica SA	4,424	49
		542
Sweden (0.9%)		
Alfa Laval AB	1,433	26
Assa Abloy AB, Class B	3,402	71
Atlas Copco AB, Class A	2,752	67
Atlas Copco AB, Class B	1,447	33
Boliden AB	904	15
Electrolux AB, Class B	644	16
Hennes & Mauritz AB, Class B	3,058	109

	Shares	Value (000)
Hexagon AB, Class B	800	\$ 30
Husqvarna AB, Class B	486	3
Investment AB Kinnevik	376	12
Investor AB, Class B	1,472	54
Millicom International Cellular SA SDR	268	15
Nordea Bank AB	11,209	122
Ratos AB, Class B	242	1
Sandvik AB	3,965	34
Skandinaviska Enskilda Banken AB, Class A	7,682	80
Skanska AB, Class B	815	16
SKF AB, Class B	1,216	20
Svenska Cellulosa AB SCA, Class B	2,132	62
Svenska Handelsbanken AB, Class A	8,100	107
Swedbank AB, Class A	2,095	46
Swedish Match AB	1,446	51
Tele2 AB, Class B	1,116	11
Telefonaktiebolaget LM Ericsson, Class B	10,841	105
TeliaSonera AB	14,846	74
Volvo AB, Class B	6,066	56
		1,236
Switzerland (3.0%)		
ABB Ltd. (Registered) (f)	9,136	162
Actelion Ltd. (Registered) (f)	826	114
Adecco SA (Registered) (f)	3,674	252
Baloise Holding AG (Registered)	328	42
Cie Financiere Richemont SA (Registered)	1,741	125
Credit Suisse Group AG (Registered) (f)	4,898	106
GAM Holding AG (f)	1,136	19
Geberit AG (Registered)	272	91
Givaudan SA (Registered) (f)	51	92
Julius Baer Group Ltd. (f)	872	42
Kuehne & Nagel International AG (Registered)	257	35
LafargeHolcim Ltd. (Registered) (f)	326	16
LafargeHolcim Ltd. (Registered) (f)	973	49
Lonza Group AG (Registered) (f)	409	66
Nestle SA (Registered)	10,453	775
Novartis AG (Registered)	4,021	344
Roche Holding AG (Genusschein)	3,741	1,031
Schindler Holding AG	292	49
SGS SA (Registered)	41	78
Sonova Holding AG (Registered)	429	54
Swatch Group AG (The)	117	41
Swiss Life Holding AG (Registered) (f)	132	35
Swiss Re AG	595	58
Syngenta AG (Registered)	460	181
UBS Group AG (Registered)	14,472	278
Zurich Insurance Group AG (f)	716	183
		4,318
Turkey (0.0%)		
Alacer Gold Corp. (f)	2,100	4
United Kingdom (6.0%)		
3i Group PLC	4,963	35
Admiral Group PLC	1,371	33
Amec Foster Wheeler PLC	1,662	11

Portfolio of Investments (cont'd)

Global Strategist Portfolio

	Shares	Value (000)		Shares	Value (000)
United Kingdom (cont'd)					
Anglo American PLC	4,826	\$ 21	RSA Insurance Group PLC	3,934	\$ 25
ARM Holdings PLC	9,016	136	Schroders PLC	497	22
AstraZeneca PLC	3,073	208	Segro PLC REIT	4,169	26
Aviva PLC	20,493	155	Severn Trent PLC	1,079	35
BAE Systems PLC	18,477	136	Shire PLC	4,249	291
Barclays PLC	82,361	267	Sky PLC	7,459	122
BG Group PLC	11,049	160	Smith & Nephew PLC	5,772	102
BHP Billiton PLC	7,996	90	Smiths Group PLC	2,245	31
BP PLC	42,651	222	SSE PLC	4,267	96
British American Tobacco PLC	6,651	369	Standard Chartered PLC	5,472	45
British Land Co., PLC REIT	5,003	58	Standard Life PLC	8,549	49
BT Group PLC	49,753	344	Tesco PLC (f)	26,487	58
Burberry Group PLC	1,622	29	Tullow Oil PLC (f)	4,038	10
Cairn Energy PLC (f)	2,702	6	Unilever PLC	4,638	199
Capita PLC	4,187	75	United Utilities Group PLC	3,293	45
Centrica PLC	23,157	74	Verizon Communications, Inc.	6,662	308
Compass Group PLC	9,998	173	Verizon Communications, Inc.	6,188	287
Diageo PLC	8,850	241	Vodafone Group PLC	128,350	415
Experian PLC	5,901	104	Weir Group PLC (The)	985	14
G4S PLC	13,331	44	WM Morrison Supermarkets PLC	10,983	24
GlaxoSmithKline PLC	9,930	201	Wolseley PLC	1,199	65
Glencore PLC (f)	29,369	39	WPP PLC	12,234	282
Hammerson PLC REIT	3,958	35			8,611
HSBC Holdings PLC	28,958	229	United States (27.3%)		
ICAP PLC	2,393	18	3M Co.	2,699	407
Imperial Tobacco Group PLC	4,072	214	Abbott Laboratories	4,172	187
Indivior PLC	2,979	8	AbbVie, Inc.	3,912	232
Inmarsat PLC	860	14	Accenture PLC, Class A	1,986	208
Intu Properties PLC REIT	3,113	15	Adobe Systems, Inc. (f)	734	69
Investec PLC	2,907	21	ADT Corp. (The)	13	—@
Johnson Matthey PLC	960	37	AES Corp.	544	5
Land Securities Group PLC REIT	4,269	74	Aetna, Inc.	315	34
Legal & General Group PLC	23,729	94	Agilent Technologies, Inc.	243	10
Liberty Global PLC LiLAC, Class A (f)	16	1	AGL Resources, Inc.	10	1
Liberty Global PLC LiLAC Series C (f)	49	2	Alamos Gold, Inc., Class A (f)	2,900	10
Lloyds Banking Group PLC	97,907	105	Alexion Pharmaceuticals, Inc. (f)	241	46
London Stock Exchange Group PLC	40	2	Allergan PLC (f)	449	140
Lonmin PLC (f)	3	—@	Alpha Natural Resources, Inc. (f)	109	—@
Man Group PLC	8,436	22	Alphabet, Inc., Class A (f)	638	496
Marks & Spencer Group PLC	5,352	36	Alphabet, Inc., Class C (f)	629	477
National Grid PLC	13,973	192	Altria Group, Inc.	6,440	375
Next PLC	1,228	132	Amazon.com, Inc. (f)	1,033	698
Old Mutual PLC	19,436	51	Ameren Corp.	219	9
Petrofac Ltd.	1,454	17	American Electric Power Co., Inc.	892	52
Prudential PLC	13,717	307	American Express Co.	10,254	713
Randgold Resources Ltd.	323	20	American International Group, Inc.	5,220	323
Reckitt Benckiser Group PLC	2,979	274	American Tower Corp. REIT	438	42
RELX PLC	7,017	123	Ameriprise Financial, Inc.	201	21
Rexam PLC	3,426	30	AmerisourceBergen Corp.	364	38
Rio Tinto PLC	5,060	147	Amgen, Inc.	2,158	350
Rolls-Royce Holdings PLC (f)	12,280	104	Amphenol Corp., Class A	728	38
Royal Bank of Scotland Group PLC (f)	12,080	53	Anadarko Petroleum Corp.	2,592	126
Royal Dutch Shell PLC, Class A	11,092	249	Analog Devices, Inc.	152	8
Royal Dutch Shell PLC, Class B	8,887	203	Annaly Capital Management, Inc. REIT	777	7

Portfolio of Investments (cont'd)

Global Strategist Portfolio

	Shares	Value (000)		Shares	Value (000)
United States (cont'd)					
Anthem, Inc.	342	\$ 48	Clorox Co. (The)	20	\$ 3
Apache Corp.	219	10	CME Group, Inc.	191	17
Apple, Inc.	13,875	1,460	CMS Energy Corp.	30	1
Archer-Daniels-Midland Co.	270	10	Coach, Inc.	312	10
AT&T, Inc.	14,646	504	Coca-Cola Co.	4,217	181
Automatic Data Processing, Inc.	301	26	Coca-Cola Enterprises, Inc.	122	6
Avery Dennison Corp.	361	23	Coeur Mining, Inc. (f)	1,600	4
Baker Hughes, Inc.	621	29	Cognizant Technology Solutions Corp., Class A (f)	606	36
Bank of America Corp.	30,633	516	Colgate-Palmolive Co.	7,454	497
Bank of New York Mellon Corp. (The)	809	33	Comcast Corp., Class A	7,034	397
Baxalta, Inc.	2,808	110	Comerica, Inc.	201	8
Baxter International, Inc.	2,808	107	ConAgra Foods, Inc.	250	11
BB&T Corp.	776	29	Concho Resources, Inc. (f)	109	10
Becton Dickinson and Co.	313	48	ConocoPhillips	4,527	211
Bed Bath & Beyond, Inc. (f)	281	14	CONSOL Energy, Inc.	404	3
Berkshire Hathaway, Inc., Class B (f)	2,670	353	Consolidated Edison, Inc.	336	22
Biogen, Inc. (f)	840	257	Constellation Brands, Inc., Class A	20	3
BlackRock, Inc.	809	275	Costco Wholesale Corp.	2,069	334
Boeing Co. (The)	1,931	279	CR Bard, Inc.	121	23
Boston Properties, Inc. REIT	158	20	Crown Castle International Corp. REIT	515	45
Boston Scientific Corp. (f)	1,206	22	CST Brands, Inc.	71	3
Bristol-Myers Squibb Co.	6,948	478	CSX Corp.	710	18
Broadcom Corp., Class A	327	19	Cummins, Inc.	9	1
Brookfield Property Partners LP	40	1	CVS Health Corp.	8,278	809
Brown-Forman Corp., Class B	10	1	Danaher Corp.	629	58
C.H. Robinson Worldwide, Inc.	209	13	DaVita HealthCare Partners, Inc. (f)	292	20
Cablevision Systems Corp.	568	18	Deere & Co.	22	2
California Resources Corp.	1,061	2	DENTSPLY International, Inc.	20	1
Cameron International Corp. (f)	80	5	Devon Energy Corp.	346	11
Campbell Soup Co.	20	1	Discover Financial Services	585	31
Capital One Financial Corp.	201	15	Discovery Communications, Inc., Class A (f)	485	13
Cardinal Health, Inc.	204	18	Discovery Communications, Inc., Class C (f)	1,155	29
Care Capital Properties, Inc. REIT	84	3	Dominion Resources, Inc.	614	42
Carnival Corp.	2	—@	Dow Chemical Co. (The)	4,370	225
Caterpillar, Inc.	2,612	178	Dr. Pepper Snapple Group, Inc.	20	2
CBS Corp., Class B	671	32	DTE Energy Co.	273	22
CDK Global, Inc.	137	7	Duke Energy Corp.	2,325	166
Celgene Corp. (f)	2,524	302	Dun & Bradstreet Corp. (The)	144	15
CenterPoint Energy, Inc.	408	8	Eaton Corp., PLC	27	1
CenturyLink, Inc.	938	24	eBay, Inc. (f)	4,339	119
Cerner Corp. (f)	670	40	Ecolab, Inc.	29	3
CF Industries Holdings, Inc.	35	1	Edison International	468	28
Charles Schwab Corp. (The)	1,287	42	Edwards Lifesciences Corp. (f)	314	25
Chemours Co. (The)	640	3	El du Pont de Nemours & Co.	3,230	215
Chesapeake Energy Corp.	213	1	Eli Lilly & Co.	3,312	279
Chevron Corp.	4,502	405	EMC Corp.	9,625	247
Chipotle Mexican Grill, Inc. (f)	40	19	Emerson Electric Co.	2,614	125
Cigna Corp.	313	46	Endo International PLC (f)	30	2
Cintas Corp.	169	15	Entergy Corp.	275	19
Cisco Systems, Inc.	13,097	356	EOG Resources, Inc.	770	55
CIT Group, Inc.	424	17	Equity Residential REIT	327	27
Citigroup, Inc.	8,436	437	Estee Lauder Cos., Inc. (The), Class A	388	34
Citrix Systems, Inc. (f)	323	24	Eversource Energy	40	2
Cliffs Natural Resources, Inc. (f)	15	—@	Exelon Corp.	959	27
			Express Scripts Holding Co. (f)	2,050	179

Portfolio of Investments (cont'd)

Global Strategist Portfolio

	Shares	Value (000)		Shares	Value (000)
United States (cont'd)					
Exxon Mobil Corp.	9,394	\$ 732	Kimco Realty Corp. REIT	686	\$ 18
Facebook, Inc., Class A (f)	3,430	359	Kohl's Corp.	272	13
Fastenal Co.	14	1	Kraft Heinz Co. (The)	356	26
FedEx Corp.	309	46	Kroger Co. (The)	1,760	74
Fifth Third Bancorp	1,105	22	L Brands, Inc.	340	33
FirstEnergy Corp.	631	20	Laboratory Corp. of America Holdings (f)	165	20
Fluor Corp.	41	2	Las Vegas Sands Corp.	147	6
FMC Technologies, Inc. (f)	89	3	Level 3 Communications, Inc. (f)	40	2
Ford Motor Co.	12,924	182	Li & Fung Ltd. (g)	8,000	5
Franklin Resources, Inc.	291	11	Liberty Global PLC, Class A (f)	329	14
Freeport-McMoRan, Inc.	22,540	153	Liberty Global PLC Series C (f)	859	35
Frontier Communications Corp.	1,143	5	Liberty Property Trust REIT	422	13
General Dynamics Corp.	66	9	Lockheed Martin Corp.	14	3
General Electric Co.	14,178	442	Lowe's Cos., Inc.	4,512	343
General Growth Properties, Inc. REIT	765	21	M&T Bank Corp.	181	22
General Mills, Inc.	976	56	Macerich Co. (The) REIT	327	26
Gilead Sciences, Inc.	3,593	364	Mallinckrodt PLC (f)	36	3
Goldman Sachs Group, Inc. (The)	1,455	262	Manpowergroup, Inc.	99	8
Halliburton Co.	21,150	720	Marathon Oil Corp.	466	6
Halyard Health, Inc. (f)	265	9	Marathon Petroleum Corp.	618	32
HCA Holdings, Inc. (f)	40	3	Marriott International, Inc., Class A	2	—@
HCP, Inc. REIT	288	11	Mastercard, Inc., Class A	5,150	501
Hecla Mining Co.	4,700	9	McCormick & Co., Inc.	10	1
Henry Schein, Inc. (f)	159	25	McDonald's Corp.	2,744	324
Hershey Co. (The)	169	15	McGraw Hill Financial, Inc.	386	38
Hess Corp.	209	10	McKesson Corp.	302	60
Hewlett Packard Enterprise Co.	3,136	48	Mead Johnson Nutrition Co.	245	19
Home Depot, Inc.	4,370	578	Medtronic PLC	5,279	406
Honeywell International, Inc.	4,131	428	Merck & Co., Inc.	6,512	344
Hormel Foods Corp.	20	2	Microsoft Corp.	15,614	866
HP, Inc.	3,046	36	Molson Coors Brewing Co., Class B	20	2
Humana, Inc.	138	25	Mondelez International, Inc., Class A	2,414	108
IAMGOLD Corp. (f)	4,100	6	Monsanto Co.	708	70
Illinois Tool Works, Inc.	26	2	Monster Beverage Corp. (f)	20	3
Illumina, Inc. (f)	20	4	Mosaic Co. (The)	26	1
Intel Corp.	7,763	267	Murphy Oil Corp.	306	7
Intercontinental Exchange, Inc.	115	29	Murphy USA, Inc. (f)	129	8
International Business Machines Corp.	2,326	320	Mylan N.V. (f)	250	14
Interpublic Group of Cos., Inc. (The)	1,010	24	NASDAQ, Inc.	170	10
Intuit, Inc.	295	28	National Oilwell Varco, Inc.	477	16
Intuitive Surgical, Inc. (f)	43	24	NetApp, Inc.	774	21
Invesco Ltd.	632	21	NetScout Systems, Inc. (f)	7,285	224
Iron Mountain, Inc. REIT	481	13	New York Community Bancorp, Inc.	170	3
JM Smucker Co. (The)	10	1	Newfield Exploration Co. (f)	414	13
Johnson & Johnson	7,820	803	Newmont Mining Corp.	19,584	352
Johnson Controls, Inc.	568	22	News Corp., Class A	954	13
Joy Global, Inc.	41	1	News Corp., Class B	246	3
JPMorgan Chase & Co.	12,028	794	NextEra Energy, Inc.	539	56
Juniper Networks, Inc.	758	21	NIKE, Inc., Class B	8,574	536
Kellogg Co.	513	37	NiSource, Inc.	30	1
Keurig Green Mountain, Inc.	10	1	Noble Corp., PLC	201	2
KeyCorp	839	11	Noble Energy, Inc.	246	8
Keysight Technologies, Inc. (f)	101	3	Nordstrom, Inc.	124	6
Kimberly-Clark Corp.	2,030	258	Norfolk Southern Corp.	647	55
			Northrop Grumman Corp.	17	3

Portfolio of Investments (cont'd)

Global Strategist Portfolio

	Shares	Value (000)		Shares	Value (000)
United States (cont'd)					
NOW, Inc. (f)	149	\$ 2	SCANA Corp.	20	\$ 1
NRG Energy, Inc.	240	3	Schlumberger Ltd.	3,249	227
O'Reilly Automotive, Inc. (f)	219	56	Scripps Networks Interactive, Inc., Class A	143	8
Occidental Petroleum Corp.	2,283	154	Sempra Energy	351	33
Omnicom Group, Inc.	249	19	Seventy Seven Energy, Inc. (f)	15	—@
ONE Gas, Inc.	102	5	Sibanye Gold Ltd. ADR	2,700	16
ONEOK, Inc.	298	7	Simon Property Group, Inc. REIT	948	184
Oracle Corp.	9,417	344	Southern Co. (The)	846	40
PACCAR, Inc.	20	1	Southwestern Energy Co. (f)	552	4
Paragon Offshore PLC (f)	67	—@	Spectra Energy Corp.	665	16
Patterson Cos., Inc.	10	—@	Sprint Corp. (f)	2,686	10
PayPal Holdings, Inc. (f)	4,339	157	St. Jude Medical, Inc.	364	23
Peabody Energy Corp.	40	—@	Staples, Inc.	315	3
Pentair PLC	6	—@	Starbucks Corp.	5,214	313
People's United Financial, Inc.	170	3	State Street Corp.	322	21
Pepco Holdings, Inc.	30	1	Stericycle, Inc. (f)	225	27
PepsiCo, Inc.	4,184	418	Stryker Corp.	335	31
PerkinElmer, Inc.	10	1	SunTrust Banks, Inc.	511	22
Perrigo Co., PLC	20	3	Symantec Corp.	678	14
Pfizer, Inc.	14,002	452	Sysco Corp.	918	38
PG&E Corp.	684	36	T. Rowe Price Group, Inc.	252	18
Philip Morris International, Inc.	3,964	348	Tahoe Resources, Inc.	2,500	22
Phillips 66	1,757	144	Talen Energy Corp. (f)	58	—@
Pinnacle West Capital Corp.	10	1	Target Corp.	2,527	184
Pioneer Natural Resources Co.	272	34	TE Connectivity Ltd.	167	11
Pitney Bowes, Inc.	184	4	TECO Energy, Inc.	30	1
Plum Creek Timber Co., Inc. REIT	422	20	Tenaris SA	473	6
PNC Financial Services Group, Inc. (The)	1,340	128	Tenet Healthcare Corp. (f)	10	—@
PPL Corp.	731	25	Texas Instruments, Inc.	7,254	398
Praxair, Inc.	26	3	Thermo Fisher Scientific, Inc.	626	89
Precision Castparts Corp.	5	1	Time Warner Cable, Inc.	338	63
Priceline Group, Inc. (The) (f)	48	61	Time Warner, Inc.	1,676	108
Procter & Gamble Co. (The)	8,033	638	Time, Inc.	284	4
ProLogis, Inc. REIT	287	12	TJX Cos., Inc. (The)	1,299	92
Public Service Enterprise Group, Inc.	811	31	Twenty-First Century Fox, Inc., Class A	3,307	90
Public Storage REIT	151	37	Twenty-First Century Fox, Inc., Class B	604	16
QUALCOMM, Inc.	6,346	317	Tyco International PLC	27	1
Quest Diagnostics, Inc.	242	17	Tyson Foods, Inc., Class A	40	2
Range Resources Corp.	131	3	Ultra Petroleum Corp. (f)	130	—@
Rayonier Advanced Materials, Inc.	153	2	Union Pacific Corp.	4,202	329
Rayonier, Inc. REIT	350	8	United Parcel Service, Inc., Class B	4,820	464
Raytheon Co.	20	3	United Technologies Corp.	7,554	726
Regeneron Pharmaceuticals, Inc. (f)	10	5	UnitedHealth Group, Inc.	4,801	565
Regions Financial Corp.	1,127	11	Universal Health Services, Inc., Class B	10	1
Republic Services, Inc.	476	21	Urban Edge Properties REIT	59	1
Reynolds American, Inc.	300	14	US Bancorp	3,389	145
Robert Half International, Inc.	201	9	Valero Energy Corp.	626	44
Rockwell Automation, Inc.	9	1	Varian Medical Systems, Inc. (f)	257	21
Ross Stores, Inc.	612	33	Ventas, Inc. REIT	327	18
Rouse Properties, Inc. REIT	44	1	Verisk Analytics, Inc. (f)	152	12
Royal Caribbean Cruises Ltd.	2	—@	Vertex Pharmaceuticals, Inc. (f)	30	4
Royal Gold, Inc.	800	29	VF Corp.	314	20
Salesforce.com, Inc. (f)	429	34	Viacom, Inc., Class B	263	11
SanDisk Corp.	272	21	Visa, Inc., Class A	6,632	514
			Vornado Realty Trust REIT	118	12

Portfolio of Investments (cont'd)

Global Strategist Portfolio

	Shares	Value (000)
United States (cont'd)		
Wal-Mart Stores, Inc.	8,182	\$ 502
Walgreens Boots Alliance, Inc.	1,065	91
Walt Disney Co. (The)	4,552	478
Waste Management, Inc.	490	26
Waters Corp. (f)	10	1
Weatherford International PLC (f)	1,174	10
WEC Energy Group, Inc.	239	12
Wells Fargo & Co.	8,841	481
Welltower, Inc. REIT	327	22
Western Union Co. (The)	80	1
Weyerhaeuser Co. REIT	616	18
Whole Foods Market, Inc.	868	29
Williams Cos., Inc. (The)	723	19
WP GLIMCHER, Inc. REIT	624	7
WPX Energy, Inc. (f)	264	2
WW Grainger, Inc.	3	1
Wynn Resorts Ltd.	103	7
Xcel Energy, Inc.	626	22
Xerox Corp.	1,570	17
Xylem, Inc.	121	4
Yahoo!, Inc. (f)	766	25
Yum! Brands, Inc.	382	28
Zimmer Biomet Holdings, Inc.	245	25
Zoetis, Inc.	3,108	149
		39,276
Total Common Stocks (Cost \$61,771)		67,644
	No. of Rights	
Rights (0.0%)		
Italy (0.0%)		
UBI Banca (f)	978	—
United States (0.0%)		
Safeway Casa Ley CVR (f)	104	—@
Safeway PDC, LLC CVR (f)	104	—@
		—@
Total Rights (Cost \$—@)		—@
	No. of Warrants	
Warrant (0.0%)		
France (0.0%)		
Peugeot SA, expires 4/29/17 (f) (Cost \$—@)	386	1
	Shares	
Investment Companies (5.1%)		
United States (5.1%)		
iShares MSCI Emerging Markets Index Fund	7,100	229
Morgan Stanley Institutional Fund, Inc. — Emerging Markets Portfolio (See Note H)	118,934	2,341
SPDR S&P 500 ETF Trust	23,069	4,703
Total Investment Companies (Cost \$6,779)		7,273

	Notional Amount	Value (000)
Call Options Purchased (0.1%)		
China (0.1%)		
USD/CNH October 2016 @ CNH 6.75, Citibank NA	1,710,000	\$ 46
USD/CNH October 2016 @ CNH 6.75, Goldman Sachs International	1,320,000	36
USD/CNH October 2016 @ CNH 6.75, JPMorgan Chase Bank NA	2,780,000	75
Total Call Options Purchased (Cost \$112)		157
Put Option Purchased (0.0%)		
United States (0.0%)		
EUR/USD March 2016 @ \$1.10, Goldman Sachs International (Cost \$52)	4,460,000	55
	Shares	
Short-Term Investments (2.2%)		
Investment Company (1.4%)		
Morgan Stanley Institutional Liquidity Funds — Money Market Portfolio — Institutional Class (See Note H) (Cost \$1,974)	1,973,501	1,974
	Face Amount (000)	
U.S. Treasury Security (0.8%)		
U.S. Treasury Bill 0.51%, 6/9/16 (j)(k) (Cost \$1,231)	\$ 1,234	1,232
Total Short-Term Investments (Cost \$3,205)		3,206
Total Investments (96.9%) (Cost \$134,090) (l)(m)(n)		139,307
Other Assets in Excess of Liabilities (3.1%)		4,489
Total Written Options Outstanding (0.0%) (Premiums received \$72)		(67)
Net Assets (100.0%)		\$143,729
(a)	Security is subject to delayed delivery.	
(b)	Variable/Floating Rate Security — Interest rate changes on these instruments are based on changes in a designated base rate. The rates shown are those in effect on December 31, 2015.	
(c)	144A security — Certain conditions for public sale may exist. Unless otherwise noted, these securities are deemed to be liquid.	
(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, 2015.	
(e)	Multi-step — Coupon rate changes in predetermined increments to maturity. Rate disclosed is as of December 31, 2015. Maturity date disclosed is the ultimate maturity date.	
(f)	Non-income producing security.	
(g)	Security trades on the Hong Kong exchange.	
(h)	Security has been deemed illiquid at December 31, 2015.	
(i)	At December 31, 2015, the Portfolio held a fair valued security valued at approximately \$1,000, representing less than 0.05% 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 Fund's Directors.	
(j)	Rate shown is the yield to maturity at December 31, 2015.	

Portfolio of Investments (cont'd)

Global Strategist Portfolio

- (k) All or a portion of the security was pledged to cover margin requirements for swap agreements.
- (l) Securities are available for collateral in connection with securities purchased on a forward commitment basis, open call options written, put options written, foreign currency forward exchange contracts, futures contracts and swap agreements.
- (m) The approximate fair value and percentage of net assets, \$26,627,000 and 18.5%, 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 the Financial Statements.
- (n) At December 31, 2015, the aggregate cost for Federal income tax purposes is approximately \$136,067,000. The aggregate gross unrealized appreciation is approximately \$11,996,000 and the aggregate gross unrealized depreciation is approximately \$8,756,000 resulting in net unrealized appreciation of approximately \$3,240,000.
- @ Value is less than \$500.
- ADR American Depositary Receipt.
- CDI CHESS Depositary Interest.
- CVA Certificaten Van Aandelen.
- ETF Exchange Traded Fund.
- MTN Medium Term Note.
- OAT Obligations Assimilables du Trésor (French Treasury Obligation).
- REIT Real Estate Investment Trust.
- SDR Swedish Depositary Receipt.
- SPDR Standard & Poor's Depositary Receipt.
- TBA To Be Announced.

Call Options Written:

The Portfolio had the following call options written open at December 31, 2015:

Counterparty	Notional Amount	Description	Strike Price	Expiration Date	Value (000)
Citibank NA	1,710,000	USD/CNH (Premiums received \$18)	\$7.25	Oct-16	\$(17)
Goldman Sachs International	1,320,000	USD/CNH (Premiums received \$13)	7.25	Oct-16	(14)
JPMorgan Chase Bank NA	2,780,000	USD/CNH (Premiums received \$29)	7.25	Oct-16	(28)
					<u>\$(59)</u>

Put Option Written:

The Portfolio had the following put option written open at December 31, 2015:

Counterparty	Notional Amount	Description	Strike Price	Expiration Date	Value (000)
Goldman Sachs International	4,460,000	EUR/USD (Premiums received \$12)	\$1.15	Mar-16	<u>\$(8)</u>

Foreign Currency Forward Exchange Contracts:

The Portfolio had the following foreign currency forward exchange contracts open at December 31, 2015:

Counterparty	Contracts to Deliver (000)	In Exchange For (000)	Delivery Date	Unrealized Appreciation (Depreciation) (000)
Bank of America NA	CHF 176	\$ 178	1/21/16	\$ 2
Bank of America NA	GBP 113	\$ 169	1/21/16	3
Bank of America NA	PLN 79	\$ 20	1/21/16	(—@)
Bank of America NA	\$ 1,284	EUR 1,174	1/21/16	(7)
Bank of Montreal	\$ 1,159	CAD 1,595	1/21/16	(7)
Bank of Montreal	\$ 306	EUR 280	1/21/16	(2)
Bank of Montreal	\$ 337	JPY 40,983	1/21/16	4
Bank of Montreal	\$ 48	TRY 143	1/21/16	1
Bank of New York Mellon	CHF 1,437	\$ 1,453	1/21/16	17
Bank of New York Mellon	\$ 294	JPY 35,692	1/21/16	3
Bank of New York Mellon	\$ 1,400	SEK 11,884	1/21/16	8
Barclays Bank PLC	\$ 1,879	EUR 1,718	1/21/16	(11)

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)
Citibank NA	CNY	3,353	\$ 537	5/19/16	\$ 25
Citibank NA	CNY	9,823	\$ 1,574	5/19/16	73
Citibank NA	GBP	1,131	\$ 1,702	1/21/16	35
Citibank NA	IDR	1,286,049	\$ 91	1/21/16	(2)
Citibank NA	JPY	34,216	\$ 284	1/21/16	(1)
Citibank NA	THB	627	\$ 17	1/21/16	(—@)
Citibank NA	\$	334	CNY 2,171	5/19/16	(3)
Citibank NA	\$	793	EUR 725	1/21/16	(5)
Citibank NA	\$	254	JPY 30,892	1/21/16	3
Commonwealth Bank of Australia	\$	1,042	AUD 1,455	1/21/16	18
Commonwealth Bank of Australia	\$	428	AUD 589	1/21/16	—@
Credit Suisse International	CHF	100	\$ 101	1/21/16	1
Credit Suisse International	EUR	164	\$ 179	1/21/16	1
Credit Suisse International	\$	3,186	EUR 2,913	1/21/16	(18)
Credit Suisse International	\$	297	ILS 1,149	1/21/16	(2)
Credit Suisse International	\$	525	NZD 780	1/21/16	8
Deutsche Bank AG	CHF	3,122	\$ 3,157	1/21/16	38
Deutsche Bank AG	CNY	6,549	\$ 1,049	5/19/16	49
Deutsche Bank AG	HKD	930	\$ 120	1/21/16	(—@)
Deutsche Bank AG	HKD	3,797	\$ 490	1/21/16	(—@)
Deutsche Bank AG	HUF	1,917	\$ 7	1/21/16	—@
Deutsche Bank AG	NZD	2,284	\$ 1,534	1/6/16	(29)
Deutsche Bank AG	PLN	635	\$ 160	1/21/16	(2)
Deutsche Bank AG	SEK	4,776	\$ 566	1/21/16	—@
Deutsche Bank AG	THB	5,150	\$ 143	1/6/16	(—@)
Deutsche Bank AG	\$	427	DKK 2,914	1/21/16	(3)
Deutsche Bank AG	\$	81	NOK 708	1/6/16	(2)
Deutsche Bank AG	\$	2,805	SEK 23,804	1/21/16	16
Deutsche Bank AG	\$	316	SGD 446	1/21/16	(2)
Deutsche Bank AG	\$	142	THB 5,150	2/4/16	1
Goldman Sachs International	GBP	152	\$ 229	1/21/16	5
Goldman Sachs International	GBP	112	\$ 166	1/21/16	1
Goldman Sachs International	\$	286	EUR 262	1/21/16	(—@)
Goldman Sachs International	\$	810	GBP 546	1/21/16	(5)
HSBC Bank PLC	CAD	924	\$ 666	2/4/16	(2)
HSBC Bank PLC	EUR	218	GBP 160	1/6/16	(1)
HSBC Bank PLC	EUR	38	GBP 28	1/6/16	(—@)
HSBC Bank PLC	GBP	160	EUR 217	2/4/16	1
HSBC Bank PLC	GBP	28	EUR 38	2/4/16	—@
HSBC Bank PLC	SGD	135	\$ 95	1/6/16	—@
HSBC Bank PLC	\$	17	CAD 23	1/6/16	(—@)
HSBC Bank PLC	\$	666	CAD 924	1/6/16	2
HSBC Bank PLC	\$	168	EUR 153	1/6/16	(2)
HSBC Bank PLC	\$	11	GBP 7	1/6/16	(—@)
HSBC Bank PLC	\$	96	SGD 135	1/6/16	(—@)
HSBC Bank PLC	\$	95	SGD 135	2/4/16	(—@)
HSBC Bank PLC	\$	143	THB 5,150	1/6/16	1
HSBC Bank PLC	\$	91	ZAR 1,439	1/6/16	2
JPMorgan Chase Bank NA	AUD	897	\$ 647	1/6/16	(7)
JPMorgan Chase Bank NA	AUD	329	\$ 237	1/6/16	(2)
JPMorgan Chase Bank NA	EUR	172	PLN 750	1/7/16	4

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)
JPMorgan Chase Bank NA	EUR 176	PLN 750	2/4/16	\$ (—@)
JPMorgan Chase Bank NA	EUR 63	SEK 590	1/7/16	1
JPMorgan Chase Bank NA	GBP 27	EUR 38	1/6/16	1
JPMorgan Chase Bank NA	GBP 160	EUR 221	1/6/16	5
JPMorgan Chase Bank NA	HKD 558	\$ 72	1/21/16	(—@)
JPMorgan Chase Bank NA	JPY 464,487	\$ 3,852	1/6/16	(13)
JPMorgan Chase Bank NA	MXN 155	\$ 9	2/4/16	(—@)
JPMorgan Chase Bank NA	MXN 9,330	\$ 537	1/21/16	(4)
JPMorgan Chase Bank NA	NOK 708	\$ 80	1/6/16	—@
JPMorgan Chase Bank NA	NZD 329	\$ 224	2/4/16	(—@)
JPMorgan Chase Bank NA	PLN 750	EUR 176	1/7/16	—@
JPMorgan Chase Bank NA	PLN 3,341	\$ 841	1/7/16	(10)
JPMorgan Chase Bank NA	PLN 3,341	\$ 856	2/4/16	5
JPMorgan Chase Bank NA	\$ 334	AUD 459	2/4/16	—@
JPMorgan Chase Bank NA	\$ 32	BRL 124	1/21/16	(1)
JPMorgan Chase Bank NA	\$ 17	CAD 23	1/6/16	—@
JPMorgan Chase Bank NA	\$ 1,151	EUR 1,050	1/6/16	(10)
JPMorgan Chase Bank NA	\$ 1,308	EUR 1,196	1/21/16	(8)
JPMorgan Chase Bank NA	\$ 11	GBP 7	1/6/16	(—@)
JPMorgan Chase Bank NA	\$ 525	HKD 4,065	1/21/16	—@
JPMorgan Chase Bank NA	\$ 12	JPY 1,445	1/6/16	—@
JPMorgan Chase Bank NA	\$ 3,854	JPY 464,487	2/4/16	13
JPMorgan Chase Bank NA	\$ 92	KRW 108,443	1/21/16	—@
JPMorgan Chase Bank NA	\$ 552	KRW 654,466	1/6/16	6
JPMorgan Chase Bank NA	\$ 55	MXN 946	1/21/16	—@
JPMorgan Chase Bank NA	\$ 111	MXN 1,936	1/21/16	1
JPMorgan Chase Bank NA	\$ 9	MXN 155	1/6/16	—@
JPMorgan Chase Bank NA	\$ 145	MYR 630	1/6/16	1
JPMorgan Chase Bank NA	\$ 80	NOK 708	2/4/16	(—@)
JPMorgan Chase Bank NA	\$ 857	PLN 3,341	1/7/16	(5)
JPMorgan Chase Bank NA	\$ 1,611	RUB 112,265	1/21/16	(77)
JPMorgan Chase Bank NA	\$ 152	SEK 1,291	1/7/16	1
JPMorgan Chase Bank NA	\$ 134	TWD 4,409	1/21/16	—@
JPMorgan Chase Bank NA	\$ 92	ZAR 1,439	2/4/16	1
JPMorgan Chase Bank NA	ZAR 1,439	\$ 92	1/6/16	(1)
Northern Trust Company	\$ 211	SGD 298	1/21/16	(1)
State Street Bank and Trust Co.	CHF 2,205	\$ 2,231	1/21/16	28
State Street Bank and Trust Co.	MXN 9,505	\$ 553	1/21/16	2
State Street Bank and Trust Co.	\$ 1,039	MXN 17,966	1/21/16	2
State Street Bank and Trust Co.	\$ 2,399	SEK 20,363	1/21/16	14
UBS AG	AUD 1,226	\$ 891	2/4/16	(1)
UBS AG	CAD 743	\$ 544	1/6/16	7
UBS AG	CAD 204	\$ 149	1/6/16	1
UBS AG	CAD 23	\$ 17	1/6/16	—@
UBS AG	CAD 193	\$ 139	1/21/16	(—@)
UBS AG	CHF 210	EUR 195	1/6/16	2
UBS AG	CHF 2,644	\$ 2,674	1/21/16	33
UBS AG	CHF 158	\$ 160	1/6/16	2
UBS AG	EUR 194	CHF 210	1/6/16	(1)
UBS AG	EUR 195	CHF 210	2/4/16	(2)

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)
UBS AG	EUR 64	SEK 590	2/4/16	\$ —@
UBS AG	EUR 1,203	\$ 1,312	1/6/16	5
UBS AG	GBP 800	\$ 1,204	1/21/16	25
UBS AG	GBP 7	\$ 11	1/6/16	—@
UBS AG	GBP 164	\$ 243	1/6/16	1
UBS AG	INR 7,316	\$ 109	1/21/16	(1)
UBS AG	KRW 654,466	\$ 555	1/6/16	(3)
UBS AG	MXN 277	\$ 16	1/6/16	(—@)
UBS AG	MYR 630	\$ 146	1/6/16	(1)
UBS AG	NZD 2,284	\$ 1,558	2/4/16	(1)
UBS AG	SEK 590	EUR 64	1/7/16	(—@)
UBS AG	SEK 1,291	\$ 153	1/7/16	—@
UBS AG	\$ 893	AUD 1,226	1/6/16	—@
UBS AG	\$ 831	CAD 1,143	1/21/16	(5)
UBS AG	\$ 160	CHF 158	1/6/16	(2)
UBS AG	\$ 326	CHF 322	1/21/16	(4)
UBS AG	\$ 160	CHF 158	2/4/16	(2)
UBS AG	\$ 213	CHF 212	1/21/16	(1)
UBS AG	\$ 220	DKK 1,506	1/21/16	(1)
UBS AG	\$ 1,313	EUR 1,203	2/4/16	(5)
UBS AG	\$ 74	GBP 49	1/6/16	(2)
UBS AG	\$ 162	GBP 108	1/6/16	(3)
UBS AG	\$ 243	GBP 164	2/4/16	(2)
UBS AG	\$ 3,834	JPY 463,042	1/6/16	19
UBS AG	\$ 438	JPY 53,283	1/21/16	5
UBS AG	\$ 555	KRW 654,466	2/4/16	3
UBS AG	\$ 7	MXN 121	1/6/16	(—@)
UBS AG	\$ 146	MYR 630	2/4/16	—@
UBS AG	\$ 118	NOK 1,028	1/21/16	(2)
UBS AG	\$ 1,561	NZD 2,284	1/6/16	1
UBS AG	\$ 153	SEK 1,291	2/4/16	(—@)
UBS AG	\$ 115	SGD 162	1/21/16	(1)
UBS AG	ZAR 1,190	\$ 79	1/21/16	2
				<u>\$224</u>

Futures Contracts:

The Portfolio had the following futures contracts open at December 31, 2015:

	Number of Contracts	Value (000)	Expiration Date	Unrealized Appreciation (Depreciation) (000)
Long:				
CAC 40 Index (France)	1	\$ 50	Jan-16	\$ —@
Dax Index (Germany)	1	293	Mar-16	13
Euro Stoxx 50 Index (Germany)	365	13,018	Mar-16	151
FTSE MIB Index (Italy)	5	583	Mar-16	6
Hang Seng Index (Hong Kong)	4	565	Jan-16	(1)
IBEX 35 Index (Spain)	7	725	Jan-16	(10)
MSCI Emerging Market E Mini (United States)	159	6,261	Mar-16	117
MSCI Singapore Free Index (Singapore)	24	548	Jan-16	1

Portfolio of Investments (cont'd)

Global Strategist Portfolio

Futures Contracts: (cont'd)

	Number of Contracts	Value (000)	Expiration Date	Unrealized Appreciation (Depreciation) (000)
NIKKEI 225 Index (Japan)	47	\$ 3,668	Mar-16	\$(147)
S+P TSE 60 Index (Canada)	13	1,430	Mar-16	4
SPI 200 Index (Australia)	11	1,053	Mar-16	54
U.S. Treasury 10 yr. Note (United States)	40	5,036	Mar-16	(9)
U.S. Treasury 2 yr. Note (United States)	15	3,259	Mar-16	(4)
U.S. Treasury 5 yr. Note (United States)	28	3,313	Mar-16	(6)
Short:				
Brent Crude Futures (United Kingdom)	10	\$ (373)	Jan-16	\$ 18
FTSE 100 Index (United Kingdom)	32	(2,924)	Mar-16	(118)
German Euro Bund (Germany)	66	(11,327)	Mar-16	121
S&P 500 E MINI Index (United States)	90	(9,159)	Mar-16	(23)
TOPIX Index (Japan)	11	(1,416)	Mar-16	37
U.S. Treasury 10 yr. Note (United States)	44	(5,540)	Mar-16	9
U.S. Treasury 5 yr. Note (United States)	24	(2,840)	Mar-16	3
U.S. Treasury Long Bond (United States)	23	(3,536)	Mar-16	(1)
U.S. Treasury Ultra Long Bond (United States)	3	(476)	Mar-16	(4)
UK Long Gilt Bond (United Kingdom)	5	(861)	Mar-16	3
				<u>\$ 214</u>

Credit Default Swap Agreements:

The Portfolio had the following credit default swap agreements open at December 31, 2015:

Swap Counterparty and Reference Obligation	Buy/Sell Protection	Notional Amount (000)	Pay/Receive Fixed Rate	Termination Date	Upfront Payment Paid (Received) (000)	Unrealized Appreciation (Depreciation) (000)	Value (000)	Credit Rating of Reference Obligation† (Unaudited)
Barclays Bank PLC Russian Federation	Sell	\$1,411	1.00%	12/20/20	\$(174)	\$ 45	\$(129)	BBB-
Goldman Sachs International People's Republic of China	Buy	1,811	1.00	12/20/20	23	(16)	7	AA-
Goldman Sachs International People's Republic of China	Buy	706	1.00	12/20/20	9	(6)	3	AA-
Goldman Sachs International Australian Government	Buy	1,992	1.00	12/20/20	(53)	(4)	(57)	AAA
Goldman Sachs International Australian Government	Buy	178	1.00	12/20/20	(4)	(1)	(5)	AAA
		<u>\$6,098</u>			<u>\$(199)</u>	<u>\$ 18</u>	<u>\$(181)</u>	

Interest Rate Swap Agreements:

The Portfolio had the following interest rate swap agreements open at December 31, 2015:

Swap Counterparty	Floating Rate Index	Pay/Receive Floating Rate	Fixed Rate	Termination Date	Notional Amount (000)	Unrealized Appreciation (Depreciation) (000)
Bank of America NA	1 Month TIIE	Receive	4.33%	7/27/17	MXN 4,459	\$ (1)
Bank of America NA	1 Month TIIE	Receive	4.39	7/28/17	7,455	(1)
Bank of America NA	1 Month TIIE	Receive	4.39	12/11/17	18,847	(—@)
Bank of America NA	1 Month TIIE	Pay	6.32	7/17/25	1,033	(—@)
Bank of America NA	1 Month TIIE	Pay	6.32	7/18/25	1,830	(—@)
Bank of America NA	1 Month TIIE	Pay	6.41	12/1/25	4,686	—@
Barclays Bank PLC	1 Month TIIE	Receive	4.28	7/26/17	13,478	(1)
Barclays Bank PLC	1 Month TIIE	Receive	4.33	7/26/17	9,245	(1)

Portfolio of Investments (cont'd)

Global Strategist Portfolio

Interest Rate Swap Agreements: (cont'd)

Swap Counterparty	Floating Rate Index	Pay/Receive Floating Rate	Fixed Rate	Termination Date	Notional Amount (000)	Unrealized Appreciation (Depreciation) (000)
Barclays Bank PLC	1 Month TIIE	Receive	4.34%	7/27/17	MXN13,657	\$ (2)
Barclays Bank PLC	1 Month TIIE	Receive	4.36	7/27/17	12,776	(2)
Barclays Bank PLC	1 Month TIIE	Receive	4.34	12/19/17	14,712	1
Barclays Bank PLC	1 Month TIIE	Pay	6.36	7/16/25	2,113	—@
Barclays Bank PLC	1 Month TIIE	Pay	6.32	7/17/25	3,106	(—@)
Barclays Bank PLC	1 Month TIIE	Pay	6.34	7/17/25	2,974	(—@)
Barclays Bank PLC	3 Month STIBOR	Receive	1.34	10/12/25	SEK 1,630	4
Barclays Bank PLC	3 Month STIBOR	Receive	1.37	10/14/25	SEK 1,540	3
Barclays Bank PLC	1 Month TIIE	Pay	6.22	12/9/25	MXN 3,537	(3)
BNP Paribas SA	1 Month TIIE	Receive	4.30	12/8/17	15,891	1
BNP Paribas SA	3 Month STIBOR	Receive	1.34	10/12/25	SEK 1,741	4
BNP Paribas SA	1 Month TIIE	Pay	6.29	11/28/25	MXN 3,845	(2)
Citibank NA	1 Month TIIE	Receive	4.38	7/28/17	4,327	(1)
Citibank NA	1 Month TIIE	Pay	6.33	7/18/25	1,000	(—@)
Citibank NA	3 Month STIBOR	Receive	1.28	10/6/25	SEK 4,258	13
Citibank NA	3 Month STIBOR	Receive	1.34	10/12/25	2,171	6
Citibank NA	3 Month STIBOR	Receive	1.39	10/13/25	3,905	8
Citibank NA	3 Month STIBOR	Receive	1.37	10/14/25	1,267	3
Deutsche Bank AG	1 Month TIIE	Pay	6.33	7/18/25	MXN 3,079	(—@)
Goldman Sachs International	1 Month TIIE	Receive	4.29	7/26/17	13,492	(1)
Goldman Sachs International	1 Month TIIE	Receive	4.38	7/28/17	13,454	(2)
Goldman Sachs International	1 Month TIIE	Receive	4.31	12/8/17	7,171	—@
Goldman Sachs International	1 Month TIIE	Receive	4.34	12/19/17	14,464	1
Goldman Sachs International	1 Month TIIE	Receive	4.40	12/26/17	6,500	—@
Goldman Sachs International	3 Month STIBOR	Receive	1.25	10/6/25	SEK 1,535	5
Goldman Sachs International	3 Month STIBOR	Receive	1.29	10/7/25	1,462	4
Goldman Sachs International	3 Month STIBOR	Receive	1.39	10/13/25	1,224	2
Goldman Sachs International	1 Month TIIE	Pay	6.29	11/28/25	MXN 1,736	(1)
Goldman Sachs International	1 Month TIIE	Pay	6.22	12/9/25	4,100	(3)
Goldman Sachs International	1 Month TIIE	Pay	6.30	12/16/25	2,425	(1)
JPMorgan Chase Bank NA	1 Month TIIE	Receive	4.34	12/19/17	9,439	1
JPMorgan Chase Bank NA	1 Month TIIE	Receive	4.39	12/26/17	22,224	1
JPMorgan Chase Bank NA	1 Month TIIE	Receive	4.43	12/27/17	5,842	(—@)
JPMorgan Chase Bank NA	1 Month TIIE	Pay	6.33	7/17/25	700	(—@)
JPMorgan Chase Bank NA	3 Month STIBOR	Receive	1.25	10/6/25	SEK 4,658	16
JPMorgan Chase Bank NA	3 Month STIBOR	Receive	1.29	10/7/25	4,000	12
JPMorgan Chase Bank NA	3 Month STIBOR	Receive	1.33	10/8/25	2,496	7
JPMorgan Chase Bank NA	3 Month STIBOR	Receive	1.34	10/12/25	2,597	7
JPMorgan Chase Bank NA	3 Month STIBOR	Receive	1.38	10/13/25	4,328	9
JPMorgan Chase Bank NA	1 Month TIIE	Pay	6.23	12/9/25	MXN 2,200	(2)
JPMorgan Chase Bank NA	1 Month TIIE	Pay	6.29	12/16/25	5,669	(3)
JPMorgan Chase Bank NA	1 Month TIIE	Pay	6.33	12/17/25	1,494	(1)
Morgan Stanley & Co., LLC*	3 Month LIBOR	Receive	1.71	3/19/20	\$ 2,900	(24)
Morgan Stanley & Co., LLC*	3 Month LIBOR	Receive	2.45	7/17/25	1,400	(47)
UBS AG	1 Month TIIE	Receive	4.31	12/8/17	MXN15,222	1
UBS AG	1 Month TIIE	Receive	4.38	12/11/17	36,303	(—@)
UBS AG	1 Month TIIE	Receive	4.41	12/21/17	9,905	—@
UBS AG	1 Month TIIE	Receive	4.40	12/26/17	10,382	—@
UBS AG	1 Month TIIE	Pay	6.34	7/16/25	2,182	(—@)
UBS AG	1 Month TIIE	Pay	6.33	7/17/25	1,879	(—@)
UBS AG	1 Month TIIE	Pay	6.30	11/28/25	3,684	(1)
UBS AG	1 Month TIIE	Pay	6.40	12/1/25	8,669	—@
UBS AG	1 Month TIIE	Pay	6.31	12/11/25	2,265	(1)
UBS AG	1 Month TIIE	Pay	6.31	12/16/25	2,663	(1)
						<u>\$ 7</u>

Portfolio of Investments (cont'd)

Global Strategist Portfolio

Total Return Swap Agreements:

The Portfolio had the following total return swap agreements open at December 31, 2015:

Swap Counterparty	Index	Notional Amount (000)	Floating Rate	Pay/Receive Total Return of Referenced Index	Maturity Date	Unrealized Appreciation (Depreciation) (000)
Barclays Bank PLC	Short U.S. Cyclical Index††	\$ 650	3 Month USD LIBOR minus 0.59%	Pay	12/22/16	\$ 7
Barclays Bank PLC	Short U.S. Cyclical Index††	650	3 Month USD LIBOR minus 0.59%	Pay	12/22/16	(8)
Barclays Bank PLC	Short U.S. Cyclical Index††	650	3 Month USD LIBOR minus 0.60%	Pay	12/22/16	5
Goldman Sachs International	Short EU Quality Index††	993	3 Month USD LIBOR minus 0.36%	Pay	11/10/16	4
JPMorgan Chase Bank NA	JPM Aerospace Index††	430	3 Month USD LIBOR minus 0.26%	Pay	9/8/16	(5)
JPMorgan Chase Bank NA	JPM Aerospace Index††	1,211	3 Month USD LIBOR minus 0.26%	Pay	9/8/16	27
JPMorgan Chase Bank NA	JPM Aerospace Index††	1,753	3 Month USD LIBOR minus 0.36%	Pay	9/8/16	39
JPMorgan Chase Bank NA	JPM Aerospace Index††	310	3 Month USD LIBOR minus 0.55%	Pay	9/8/16	(—)@
						<u>\$69</u>

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

The following table represents the equity basket holdings underlying the total return swap with Short U.S. Cyclical Index as of December 31, 2015.

Security Description	Index Weight
Short U.S. Cyclical Index	
3M Co.	1.10%
Accenture PLC	0.80
Activision Blizzard, Inc.	0.24
Adobe Systems, Inc.	0.57
ADT Corp. (The)	0.07
Advance Auto Parts, Inc.	0.13
Air Products & Chemicals, Inc.	0.31
Airgas, Inc.	0.11
Akamai Technologies, Inc.	0.11
Alcoa, Inc.	0.15
Allegion PLC	0.07
Alliance Data Systems Corp.	0.21
Alphabet, Inc.	2.75
Alphabet, Inc.	2.75
Amazon.com, Inc.	3.01
American Airlines Group, Inc.	0.31
AMETEK, Inc.	0.15
Amphenol Corp.	0.20
Analog Devices, Inc.	0.22
Apple, Inc.	7.33
Applied Materials, Inc.	0.27
Autodesk, Inc.	0.17
Automatic Data Processing, Inc.	0.48
AutoNation, Inc.	0.06
AutoZone, Inc.	0.26
Avago Technologies Ltd.	0.46
Avery Dennison Corp.	0.07
Ball Corp.	0.12
Bed Bath & Beyond, Inc.	0.09
Best Buy Co., Inc.	0.11
Boeing Co. (The)	1.08

Security Description	Index Weight
Short U.S. Cyclical Index (cont'd)	
BorgWarner, Inc.	0.12%
Broadcom Corp.	0.40
CA, Inc.	0.11
Cablevision Systems Corp.	0.08
CarMax, Inc.	0.13
Carnival Corp.	0.29
Caterpillar, Inc.	0.48
CBS Corp.	0.24
CF Industries Holdings, Inc.	0.11
CH Robinson Worldwide, Inc.	0.10
Chipotle Mexican Grill, Inc.	0.17
Cintas Corp.	0.09
Cisco Systems, Inc.	1.69
Citrix Systems, Inc.	0.15
Coach, Inc.	0.10
Cognizant Technology Solutions Corp.	0.45
Comcast Corp.	1.61
Corning, Inc.	0.28
CSRA, Inc.	0.06
CSX Corp.	0.30
Cummins, Inc.	0.17
Danaher Corp.	0.64
Darden Restaurants, Inc.	0.09
Deere & Co.	0.28
Delphi Automotive PLC	0.28
Delta Air Lines, Inc.	0.48
Discovery Communications, Inc.	0.08
Discovery Communications, Inc.	0.05
Dollar General Corp.	0.24
Dollar Tree, Inc.	0.21
Dover Corp.	0.11
Dow Chemical Co. (The)	0.72
DR Horton, Inc.	0.12

Portfolio of Investments (cont'd)

Global Strategist Portfolio

Security Description	Index Weight	Security Description	Index Weight
Short U.S. Cyclical Index (cont'd)		Short U.S. Cyclical Index (cont'd)	
Dun & Bradstreet Corp. (The)	0.04%	Intuit, Inc.	0.33%
Eastman Chemical Co.	0.12	Jacobs Engineering Group, Inc.	0.06
Eaton Corp., PLC.	0.29	JB Hunt Transport Services, Inc.	0.08
eBay, Inc.	0.38	Johnson Controls, Inc.	0.30
Ecolab, Inc.	0.37	Juniper Networks, Inc.	0.12
El du Pont de Nemours & Co.	0.72	Kansas City Southern	0.10
Electronic Arts, Inc.	0.26	KLA-Tencor Corp.	0.13
EMC Corp.	0.61	Kohl's Corp.	0.11
Emerson Electric Co.	0.37	L Brands, Inc.	0.29
Equifax, Inc.	0.15	L-3 Communications Holdings, Inc.	0.11
Expedia, Inc.	0.14	Lam Research Corp.	0.15
Expeditors International of Washington I	0.10	Leggett & Platt, Inc.	0.07
F5 Networks, Inc.	0.09	Lennar Corp.	0.10
Facebook, Inc.	2.89	Linear Technology Corp.	0.13
Fastenal Co.	0.14	Lockheed Martin Corp.	0.68
FedEx Corp.	0.46	Lowe's Cos, Inc.	0.82
Fidelity National Information Services I	0.21	LyondellBasell Industries N.V.	0.39
First Solar, Inc.	0.07	Macy's, Inc.	0.13
Fiserv, Inc.	0.26	Marriott International, Inc.	0.15
FLIR Systems, Inc.	0.05	Martin Marietta Materials, Inc.	0.11
Flowserve Corp.	0.06	Masco Corp.	0.12
Fluor Corp.	0.08	MasterCard, Inc.	1.19
FMC Corp.	0.06	Mattel, Inc.	0.11
Ford Motor Co.	0.63	McDonald's Corp.	1.29
Fossil Group, Inc.	0.02	Michael Kors Holdings Ltd.	0.09
Freeport-McMoRan, Inc.	0.09	Microchip Technology, Inc.	0.12
GameStop Corp.	0.04	Micron Technology, Inc.	0.19
Gap, Inc. (The)	0.07	Microsoft Corp.	5.43
Garmin Ltd.	0.05	Mohawk Industries, Inc.	0.14
General Dynamics Corp.	0.49	Monsanto Co.	0.53
General Electric Co.	3.44	Mosaic Co. (The)	0.11
General Motors Co.	0.57	Motorola Solutions, Inc.	0.14
Genuine Parts Co.	0.15	NetApp, Inc.	0.09
Goodyear Tire & Rubber Co. (The)	0.10	Netflix, Inc.	0.56
H&R Block, Inc.	0.09	Newell Rubbermaid, Inc.	0.14
Hanesbrands, Inc.	0.14	Newmont Mining Corp.	0.12
Harley-Davidson, Inc.	0.10	News Corp.	0.06
Harman International Industries, Inc.	0.08	News Corp.	0.02
Harris Corp.	0.14	Nielsen Holdings PLC	0.20
Hasbro, Inc.	0.09	NIKE, Inc.	0.99
Hewlett Packard Enterprise Co.	0.34	Nordstrom, Inc.	0.08
Home Depot, Inc. (The)	1.97	Norfolk Southern Corp.	0.30
Honeywell International, Inc.	0.95	Northrop Grumman Corp.	0.41
HP, Inc.	0.26	Nucor Corp.	0.15
Illinois Tool Works, Inc.	0.36	NVIDIA Corp.	0.21
Ingersoll-Rand PLC	0.18	Omnicom Group, Inc.	0.22
Intel Corp.	2.01	Oracle Corp.	1.45
International Business Machines Corp.	1.51	O'Reilly Automotive, Inc.	0.29
International Flavors & Fragrances, Inc.	0.11	Owens-Illinois, Inc.	0.03
International Paper Co.	0.19	PACCAR, Inc.	0.20
Interpublic Group of Cos, Inc. (The)	0.11	Parker-Hannifin Corp.	0.15

Portfolio of Investments (cont'd)

Global Strategist Portfolio

Security Description	Index Weight
Short U.S. Cyclical Index (cont'd)	
Paychex, Inc.	0.21%
PayPal Holdings, Inc.	0.49
Pentair PLC	0.11
Pitney Bowes, Inc.	0.05
PPG Industries, Inc.	0.32
Praxair, Inc.	0.35
Precision Castparts Corp.	0.37
Priceline Group, Inc. (The)	0.75
PulteGroup, Inc.	0.06
PVH Corp.	0.07
Qorvo, Inc.	0.09
QUALCOMM, Inc.	0.96
Quanta Services, Inc.	0.04
Ralph Lauren Corp.	0.08
Raytheon Co.	0.44
Red Hat, Inc.	0.18
Republic Services, Inc.	0.12
Robert Half International, Inc.	0.07
Rockwell Automation, Inc.	0.16
Rockwell Collins, Inc.	0.15
Roper Technologies, Inc.	0.23
Ross Stores, Inc.	0.26
Royal Caribbean Cruises Ltd.	0.20
Ryder System, Inc.	0.04
salesforce.com, Inc.	0.59
SanDisk Corp.	0.19
Scripps Networks Interactive, Inc.	0.06
Seagate Technology PLC	0.14
Sealed Air Corp.	0.12
Sherwin-Williams Co. (The)	0.25
Signet Jewelers Ltd.	0.12
Skyworks Solutions, Inc.	0.18
Snap-on, Inc.	0.11
Southwest Airlines Co.	0.33
Stanley Black & Decker, Inc.	0.19
Staples, Inc.	0.07
Starbucks Corp.	1.03
Starwood Hotels & Resorts Worldwide, Inc.	0.13
Stericycle, Inc.	0.12
Symantec Corp.	0.18
Target Corp.	0.53
TE Connectivity Ltd.	0.32
TEGNA, Inc.	0.07
Teradata Corp.	0.04
Texas Instruments, Inc.	0.69
Textron, Inc.	0.13
Tiffany & Co.	0.10
Time Warner Cable, Inc.	0.61
Time Warner, Inc.	0.61
TJX Cos, Inc. (The)	0.56
Total System Services, Inc.	0.10

Security Description	Index Weight
Short U.S. Cyclical Index (cont'd)	
Tractor Supply Co.	0.14%
TripAdvisor, Inc.	0.11
Twenty-First Century Fox, Inc.	0.39
Twenty-First Century Fox, Inc.	0.14
Tyco International Plc	0.16
Under Armour, Inc.	0.17
Union Pacific Corp.	0.80
United Continental Holdings, Inc.	0.26
United Parcel Service, Inc.	0.79
United Rentals, Inc.	0.09
United Technologies Corp.	0.93
Urban Outfitters, Inc.	0.02
VeriSign, Inc.	0.11
Verisk Analytics, Inc.	0.14
VF Corp.	0.25
Viacom, Inc.	0.16
Visa, Inc.	1.85
Vulcan Materials Co.	0.15
Walt Disney Co. (The)	1.89
Waste Management, Inc.	0.26
Western Digital Corp.	0.17
Western Union Co. (The)	0.11
WestRock Co.	0.15
Whirlpool Corp.	0.13
WW Grainger, Inc.	0.15
Wyndham Worldwide Corp.	0.10
Wynn Resorts Ltd.	0.06
Xerox Corp.	0.13
Xilinx, Inc.	0.15
Xylem, Inc.	0.08
Yahoo!, Inc.	0.35
Yum! Brands, Inc.	0.36
	<u>100.00%</u>

The following table represents the equity basket holdings underlying the total return swap with Short EU Quality Index as of December 31, 2015.

Security Description	Index Weight
Short EU Quality Index	
ABB Ltd.	1.44%
Actelion Ltd.	0.58
Air Liquide SA	1.43
Airbus Group SE	1.80
ARM Holdings PLC	0.81
ASML Holding N.V.	0.95
Assa Abloy AB	0.73
Associated British Foods PLC	1.18
AstraZeneca PLC	3.67
Atlas Copco AB	1.03
BAE Systems PLC	1.37
BASF SE	2.62
British American Tobacco PLC	4.64

Portfolio of Investments (cont'd)

Global Strategist Portfolio

Security Description	Index Weight
Short EU Quality Index(cont'd)	
Burberry Group PLC	0.77%
Capita PLC	1.20
Centrica PLC	0.63
Cie Financiere Richemont SA	1.22
Coloplast A/S	1.00
Compass Group PLC	1.54
Continental AG	1.04
Deutsche Boerse AG	0.95
Deutsche Post AG	1.17
Diageo PLC	2.64
Essilor International SA	0.76
Geberit AG	0.84
Henkel AG & Co., KGaA	1.08
Hennes & Mauritz AB	2.09
Imperial Tobacco Group PLC	2.44
Industria de Diseno Textil SA	2.06
ITV PLC	1.68
Kerry Group PLC	1.16
Kone Oyj	1.59
Legrand SA	0.57
L'Oreal SA	1.60
Nestle SA	3.65
Next PLC	0.68
Novartis AG	3.24
Novo Nordisk A/S	6.66
Novozymes A/S	0.98
Pandora A/S	0.86
Reckitt Benckiser Group PLC	2.86
RELX N.V.	1.08
RELX PLC	1.44
Rio Tinto PLC	1.44
Roche Holding AG	4.14
Rolls-Royce Holdings PLC	0.62
SABMiller PLC	1.85
SAP SE	2.83
SGS SA	1.29
Shire PLC	2.32
Sky PLC	0.74
Smith & Nephew PLC	1.22
Swatch Group AG (The)	0.45
Syngenta AG	1.35
Unilever N.V.	3.96
Unilever PLC	2.96
Valeo SA	0.94
Whitbread PLC	0.51
Wolseley PLC	0.61
WPP PLC	1.04
	<u>100.00%</u>

The following table represents the equity basket holdings underlying the total return swap with JPM Aerospace Index as of December 31, 2015.

Security Description	Index Weight
JPM Aerospace Index	
Airbus Group SE	14.88%
B/E Aerospace, Inc.	1.38
Boeing Co. (The)	34.77
Bombardier, Inc.	0.53
KLX, Inc.	0.50
Precision Castparts Corp.	11.73
Rolls-Royce Holdings PLC	4.60
Safran SA	8.18
Textron, Inc.	5.15
Thales SA	2.91
TransDigm Group, Inc.	3.77
United Technologies Corp.	9.63
Zodiac Aerospace	1.97
	<u>100.00%</u>

@ Value is less than \$500.

† Credit rating as issued by Standard & Poor's.

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

LIBOR London Interbank Offered Rate.

STIBOR Stockholm Interbank Offered Rate.

TIE Interbank Equilibrium Interest Rate.

AUD — Australian Dollar

BRL — Brazilian Real

CAD — Canadian Dollar

CHF — Swiss Franc

CNH — Chinese Yuan Renminbi

CNY — Chinese Yuan Renminbi

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

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 of Investments (cont'd)

Global Strategist Portfolio

Portfolio Composition

Classification	Percentage of Total Investments
Common Stocks	48.6%
Fixed Income Securities	43.8
Investment Companies	5.2
Other**	2.4
Total Investments	<u>100.0%***</u>

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

*** Does not include open call options written with a value of approximately \$59,000 and does not include an open put option written with a value of approximately \$8,000. Does not include open long/short futures contracts with an underlying face amount of approximately \$78,254,000 with net unrealized appreciation of approximately \$214,000. Does not include open foreign currency forward exchange contracts with net unrealized appreciation of approximately \$224,000 and does not include open swap agreements with net unrealized appreciation of approximately \$94,000.

Global Strategist Portfolio

Statement of Assets and Liabilities

December 31, 2015
(000)**Assets:**

Investments in Securities of Unaffiliated Issuers, at Value (Cost \$129,016)	\$134,992
Investments in Securities of Affiliated Issuer, at Value (Cost \$5,074)	4,315
Total Investments in Securities, at Value (Cost \$134,090)	139,307
Receivable for Variation Margin on Futures Contracts	3,056
Receivable for Investments Sold	2,677
Unrealized Appreciation on Foreign Currency Forward Exchange Contracts	509
Interest Receivable	425
Unrealized Appreciation on Swap Agreements	236
Dividends Receivable	110
Tax Reclaim Receivable	110
Receivable for Portfolio Shares Sold	72
Premium Paid on Open Swap Agreements	32
Receivable from Affiliate	—@
Other Assets	13
Total Assets	146,547

Liabilities:

Payable for Investments Purchased	1,543
Unrealized Depreciation on Foreign Currency Forward Exchange Contracts	285
Premium Received on Open Swap Agreements	231
Payable for Portfolio Shares Redeemed	143
Payable for Custodian Fees	113
Bank Overdraft	111
Unrealized Depreciation on Swap Agreements	71
Options Written, at Value (Premiums received \$72)	67
Payable for Swap Agreements Termination	62
Payable for Servicing Fees	47
Payable for Advisory Fees	40
Payable for Professional Fees	24
Payable for Administration Fees	10
Payable for Variation Margin on Swap Agreements	8
Payable for Transfer Agency Fees	2
Payable for Distribution Fees — Class II Shares	2
Payable for Directors' Fees and Expenses	2
Other Liabilities	57
Total Liabilities	2,818

NET ASSETS

\$143,729

Net Assets Consist of:

Paid-in-Capital	\$143,546
Distributions in Excess of Net Investment Income	(522)
Accumulated Net Realized Loss	(5,035)
Unrealized Appreciation (Depreciation) on:	
Investments	5,976
Investments in Affiliates	(759)
Futures Contracts	214
Options Written	5
Swap Agreements	94
Foreign Currency Forward Exchange Contracts	224
Foreign Currency Translations	(14)

Net Assets

\$143,729

CLASS I:**Net Assets**

\$119,248

Net Asset Value, Offering and Redemption Price Per Share Applicable to 12,700,140 Outstanding

\$0.001 Par Value Shares (Authorized 500,000,000 Shares) \$ 9.39

CLASS II:**Net Assets**

\$ 24,481

Net Asset Value, Offering and Redemption Price Per Share Applicable to 2,617,879 Outstanding

\$0.001 Par Value Shares (Authorized 500,000,000 Shares) \$ 9.35

@ Amount is less than \$500.

Global Strategist Portfolio

Statement of Operations

Year Ended
December 31, 2015
(000)

Investment Income:

Dividends from Securities of Unaffiliated Issuers (Net of \$127 of Foreign Taxes Withheld)	\$ 2,501
Interest from Securities of Unaffiliated Issuers	1,434
Dividends from Securities of Affiliated Issuers (Note H)	41
Total Investment Income	3,976

Expenses:

Advisory Fees (Note B)	1,233
Custodian Fees (Note G)	439
Administration Fees (Note C)	231
Servicing Fees (Note D)	163
Professional Fees	146
Pricing Fees	120
Distribution Fees — Class II Shares (Note E)	79
Shareholder Reporting Fees	44
Transfer Agency Fees (Note F)	11
Directors' Fees and Expenses	4
Other Expenses	21
Total Expenses	2,491
Waiver of Advisory Fees (Note B)	(1,233)
Distribution Fees — Class II Shares Waived (Note E)	(51)
Rebate from Morgan Stanley Affiliate (Note H)	(42)
Expenses Reimbursed by Adviser (Note B)	(3)
Net Expenses	1,162

Net Investment Income 2,814

Realized Gain (Loss):

Investments Sold	498
Foreign Currency Forward Exchange Contracts	(1,484)
Foreign Currency Transactions	(154)
Futures Contracts	(734)
Swap Agreements	(1,785)
Net Realized Loss	(3,659)

Change in Unrealized Appreciation (Depreciation):

Investments	(9,687)
Investments in Affiliates	(289)
Foreign Currency Forward Exchange Contracts	493
Foreign Currency Translations	46
Futures Contracts	110
Swap Agreements	(234)
Options Written	5
Net Change in Unrealized Appreciation (Depreciation)	(9,556)

Net Realized Loss and Change in Unrealized Appreciation (Depreciation) (13,215)

Net Decrease in Net Assets Resulting from Operations \$(10,401)

Global Strategist Portfolio

Statements of Changes in Net Assets

	Year Ended December 31, 2015 (000)	Year Ended December 31, 2014 (000)
Increase (Decrease) in Net Assets:		
Operations:		
Net Investment Income	\$ 2,814	\$ 3,481
Net Realized Gain (Loss)	(3,659)	2,839
Net Change in Unrealized Appreciation (Depreciation)	(9,556)	(2,121)
Net Increase (Decrease) in Net Assets Resulting from Operations	(10,401)	4,199
Distributions from and/or in Excess of:		
Class I:		
Net Investment Income	(2,268)	(1,308)
Net Realized Gain	(1,065)	(13,229)
Class II:		
Net Investment Income	(424)	(243)
Net Realized Gain	(214)	(2,696)
Total Distributions	(3,971)	(17,476)
Capital Share Transactions:⁽¹⁾		
Class I:		
Subscribed	3,462	16,657
Distributions Reinvested	3,333	14,537
Redeemed	(25,571)	(27,187)
Class II:		
Subscribed	997	1,182
Distributions Reinvested	638	2,939
Redeemed	(4,363)	(6,293)
Net Increase (Decrease) in Net Assets Resulting from Capital Share Transactions	(21,504)	1,835
Total Decrease in Net Assets	(35,876)	(11,442)
Net Assets:		
Beginning of Period	179,605	191,047
End of Period (Including Distributions in Excess of Net Investment Income and Accumulated Undistributed Net Investment Income of \$(522) and \$2,403, respectively)	\$143,729	\$179,605
⁽¹⁾ Capital Share Transactions:		
Class I:		
Shares Subscribed	342	1,541
Shares Issued on Distributions Reinvested	337	1,373
Shares Redeemed	(2,565)	(2,523)
Net Increase (Decrease) in Class I Shares Outstanding	(1,886)	391
Class II:		
Shares Subscribed	98	111
Shares Issued on Distributions Reinvested	65	278
Shares Redeemed	(436)	(581)
Net Decrease in Class II Shares Outstanding	(273)	(192)

Financial Highlights

Global Strategist Portfolio

Selected Per Share Data and Ratios	Class I				
	Year Ended December 31,				
	2015	2014	2013	2012	2011
Net Asset Value, Beginning of Period	\$ 10.28	\$ 11.06	\$ 9.55	\$ 8.58	\$ 9.02
Income (Loss) from Investment Operations:					
Net Investment Income†	0.17	0.20	0.18	0.14	0.13
Net Realized and Unrealized Gain (Loss)	(0.81)	0.06	1.34	1.00	(0.45)
Total from Investment Operations	(0.64)	0.26	1.52	1.14	(0.32)
Distributions from and/or in Excess of:					
Net Investment Income	(0.17)	(0.09)	(0.01)	(0.19)	(0.12)
Net Realized Gain	(0.08)	(0.95)	—	—	—
Total Distributions	(0.25)	(1.04)	(0.01)	(0.19)	(0.12)
Regulatory Settlement Proceeds	—	—	—	0.02††	—
Net Asset Value, End of Period	\$ 9.39	\$ 10.28	\$ 11.06	\$ 9.55	\$ 8.58
Total Return ++	(6.39)%	2.15%	15.95%	13.84%	(3.68)%
Ratios and Supplemental Data:					
Net Assets, End of Period (Thousands)	\$119,248	\$150,001	\$157,059	\$63,205	\$64,668
Ratio of Expenses to Average Net Assets ⁽¹⁾	0.69%+^^^	0.56%+	0.62%+^^	0.94%+	0.96%+^
Ratio of Expenses to Average Net Assets Excluding Non Operating Expenses	N/A	N/A	N/A	0.94%+	N/A
Ratio of Net Investment Income to Average Net Assets ⁽¹⁾	1.73%+	1.86%+	1.69%+	1.53%+	1.42%+
Ratio of Rebate from Morgan Stanley Affiliates to Average Net Assets	0.03%	0.04%	0.04%	0.06%	0.06%
Portfolio Turnover Rate	146%	82%	168%	105%	109%
⁽¹⁾ Supplemental Information on the Ratios to Average Net Assets:					
Ratios Before Expense Limitation:					
Expenses to Average Net Assets	1.47%	1.42%	1.32%	1.72%	1.76%
Net Investment Income to Average Net Assets	0.95%	1.00%	0.99%	0.75%	0.62%

† Per share amount is based on average shares outstanding.

†† During the year ended December 31, 2012, the Portfolio received a regulatory settlement from an unaffiliated third party, which had an impact of approximately 0.23% on the total return. This was a one-time settlement, and as a result, the impact on the NAV and consequently the performance will not likely be repeated in the future. Had this settlement not occurred, the total return for Class I would have been approximately 13.61%.

++ 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.

+ The Ratios of Expenses and Net Investment Income reflect the rebate of certain Portfolio 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."

^^^ 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.

^^ Effective April 29, 2013, the Adviser has agreed to limit the ratio of expenses to average net assets to the maximum ratio of 0.60% for Class I shares. Prior to April 29, 2013, the maximum ratio was 1.00% for Class I shares.

^ Effective July 1, 2011, the Adviser has agreed to limit the ratio of expenses to average net assets to the maximum ratio of 1.00% for Class I shares. Prior to July 1, 2011, the maximum ratio was 1.05% for Class I shares.

Financial Highlights

Global Strategist Portfolio

	Class II				Period from March 15, 2011^ to December 31, 2011
	Year Ended December 31,				
Selected Per Share Data and Ratios	2015	2014	2013	2012	
Net Asset Value, Beginning of Period	\$ 10.24	\$ 11.03	\$ 9.54	\$ 8.57	\$ 9.04
Income (Loss) from Investment Operations:					
Net Investment Income†	0.16	0.19	0.17	0.13	0.11
Net Realized and Unrealized Gain (Loss)	(0.82)	0.06	1.33	1.01	(0.46)
Total from Investment Operations	(0.66)	0.25	1.50	1.14	(0.35)
Distributions from and/or in Excess of:					
Net Investment Income	(0.15)	(0.09)	(0.01)	(0.19)	(0.12)
Net Realized Gain	(0.08)	(0.95)	—	—	—
Total Distributions	(0.23)	(1.04)	(0.01)	(0.19)	(0.12)
Regulatory Settlement Proceeds	—	—	—	0.02††	—
Net Asset Value, End of Period	\$ 9.35	\$ 10.24	\$ 11.03	\$ 9.54	\$ 8.57
Total Return ++	(6.53)%	2.00%	15.75%	13.70%	(4.00)%#
Ratios and Supplemental Data:					
Net Assets, End of Period (Thousands)	\$24,481	\$29,604	\$33,988	\$ 241	\$ 65
Ratio of Expenses to Average Net Assets ⁽¹⁾	0.79%+^^^	0.66%+	0.72%+^^	1.04%+	1.06%+*^^
Ratio of Expenses to Average Net Assets Excluding Non Operating Expenses	N/A	N/A	N/A	1.04%+	N/A
Ratio of Net Investment Income to Average Net Assets ⁽¹⁾	1.63%+	1.76%+	1.59%+	1.43%+	1.32%+*
Ratio of Rebate from Morgan Stanley Affiliates to Average Net Assets	0.03%	0.04%	0.04%	0.06%	0.06%*
Portfolio Turnover Rate	146%	82%	168%	105%	109%#
⁽¹⁾ Supplemental Information on the Ratios to Average Net Assets:					
Ratios Before Expense Limitation:					
Expenses to Average Net Assets	1.76%	1.77%	1.67%	2.07%	2.11%*
Net Investment Income to Average Net Assets	0.66%	0.65%	0.64%	0.40%	0.27%*

[^] Commencement of Operations.

[†] Per share amount is based on average shares outstanding.

^{††} During the year ended December 31, 2012, the Portfolio received a regulatory settlement from an unaffiliated third party, which had an impact of 0.24% on total return. This was a one-time settlement, and as a result, the impact on the NAV and consequently the performance will not likely be repeated in the future. Had this settlement not occurred, the total return for Class II would have been approximately 13.46%.

⁺⁺ 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.

⁺ The Ratios of Expenses and Net Investment Income reflect the rebate of certain Portfolio 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."

⁺⁺⁺⁺ 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.

⁺⁺⁺ Effective April 29, 2013, the Adviser has agreed to limit the ratio of expenses to average net assets to the maximum ratio of 0.70% for Class II shares. Prior to April 29, 2013, the maximum ratio was 1.10% for Class II shares.

⁺⁺ Effective July 1, 2011, the Adviser has agreed to limit the ratio of expenses to average net assets to the maximum ratio of 1.10% for Class II shares. Prior to July 1, 2011, the maximum ratio was 1.15% for Class II shares.

[#] Not Annualized.

^{*} Annualized.

Notes to Financial Statements

The Universal Institutional Funds, Inc. (the “Fund”) is registered under the Investment Company Act of 1940, as amended (the “Act”), as an open-end management investment company. The Fund is comprised of eleven separate active, diversified and non-diversified portfolios (individually referred to as a “Portfolio”, collectively as the “Portfolios”). The Fund applies investment company accounting and reporting guidance.

The accompanying financial statements relate to the Global Strategist Portfolio (formerly Global Tactical Asset Allocation Portfolio). The Portfolio seeks total return by investing in a blend of equity and fixed income securities of U.S. and non-U.S. issuers. The Portfolio 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 Fund is intended to be the 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 Fund in the preparation of its financial statements. GAAP may require management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results may differ from those estimates.

1. Security Valuation: (1) Certain portfolio securities may be valued by an outside pricing service approved by the Fund’s Board of Directors (the “Directors”). The pricing service may utilize a matrix system or other model incorporating attributes such as security quality, maturity and coupon as the evaluation model parameters, and/or research evaluations by its staff, including review of broker-dealer market price quotations in determining what it believes is the fair valuation of the portfolios securities valued by such pricing service; (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), if there were no sales on a given day, the security is valued at the mean between the last reported bid and asked prices; (3) all other equity portfolio securities for which over-the-counter (“OTC”) market quotations are readily available are valued at its latest reported sales price. In cases where a security is traded on more than one exchange, the security is valued on the exchange designated as the primary market; (4) futures are valued at the latest price published by the commodities exchange on which they trade; (5) swaps are marked-to-market daily based upon quotations from market makers; (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 their latest bid and asked price. Unlisted options are valued by an outside pricing service approved by the Directors or quotes from a broker or dealer; (7) 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; (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) 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; and (10) short-term taxable debt securities with remaining maturities of 60 days or less at the time of purchase may be valued at amortized cost, unless the Adviser determines such price does not reflect the securities’ market value, in which case these securities will be valued at their fair market value determined by the Adviser. Other taxable short-term debt securities with maturities of more than 60 days will be valued on a mark-to-market basis until such time as they reach a maturity of 60 days, whereupon they will be valued at amortized cost using their value on the 61st day unless the Adviser determines such price does not reflect the securities’ fair value, in which case these securities will be valued at their fair market value as determined by the Adviser.

The Directors have responsibility for determining in good faith the fair value of the investments, and the Directors may appoint others, such as the Fund’s Adviser or a valuation committee, to assist the Directors in

Notes to Financial Statements (cont'd)

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 Fund's Adviser has formed a Valuation Committee whose members are approved by the Directors. The Valuation Committee provides administration and oversight of the Fund's valuation policies and procedures, which are reviewed at least annually by the Directors. These procedures allow the Fund to utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

The Fund has procedures to determine the fair value of securities and other financial instruments for which market prices are not readily available. Under these procedures, the Valuation Committee convenes on a regular and ad hoc basis to review such securities and considers a number of factors, including valuation methodologies and significant unobservable valuation inputs, when arriving at fair value. The Valuation Committee may employ a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, book values, and other relevant information for the investment to determine the fair value of the investment. An income-based valuation approach may also be used in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed. The Valuation Committee employs various methods for calibrating these valuation approaches including a regular review of valuation methodologies, key inputs and assumptions, transactional back-testing or disposition analysis, and reviews of any related market activity.

2. Fair Value Measurement: Financial Accounting Standards Board ("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.)
- 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 Portfolio's investments as of December 31, 2015.

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 Fixed Rate Mortgages	\$ —	\$ 4,134	\$ —	\$ 4,134
Asset-Backed Securities	—	395	—	395
Collateralized Mortgage Obligations - Agency Collateral Series	—	342	—	342
Commercial Mortgage-Backed Securities	—	1,552	—	1,552
Corporate Bonds	—	14,629	—	14,629
Mortgages - Other	—	620	—	620
Sovereign	—	20,236	—	20,236
U.S. Treasury Securities	—	19,063	—	19,063
Total Fixed Income Securities	—	60,971	—	60,971

Notes to 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				
Aerospace & Defense	\$ 1,452	\$ 323	\$—	\$ 1,775
Air Freight & Logistics	523	38	—	561
Airlines	—	188	—	188
Auto Components	46	220	—	266
Automobiles	182	1,133	—	1,315
Banks	2,886	2,291	—	5,177
Beverages	616	784	—	1,400
Biotechnology	1,670	179	—	1,849
Building Products	—	431	—	431
Capital Markets	704	846	—	1,550
Chemicals	556	709	—	1,265
Commercial Services & Supplies	94	109	—	203
Communications Equipment	949	152	—	1,101
Construction & Engineering	2	440	—	442
Construction Materials	—	226	—	226
Consumer Finance	759	—	—	759
Containers & Packaging	23	53	—	76
Diversified Financial Services	447	355	—	802
Diversified Telecommunication Services	882	1,017	—	1,899
Electric Utilities	459	353	—	812
Electrical Equipment	127	330	—	457
Electronic Equipment, Instruments & Components	52	288	—	340
Energy Equipment & Services	1,012	51	—	1,063
Food & Staples Retailing	1,883	319	—	2,202
Food Products	290	884	—	1,174
Gas Utilities	6	77	—	83
Health Care Equipment & Supplies	952	282	—	1,234
Health Care Providers & Services	1,099	69	—	1,168
Health Care Technology	40	—	—	40
Hotels, Restaurants & Leisure	697	394	—	1,091
Household Durables	—	126	—	126
Household Products	1,396	395	—	1,791
Independent Power Producers & Energy Traders	8	4	—	12
Industrial Conglomerates	907	227	—	1,134

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)				
Information Technology Services	\$ 1,780	\$ 366	\$—	\$ 2,146
Insurance	404	1,610	—	2,014
Internet & Catalog Retail	759	23	—	782
Internet Software & Services	1,476	19	—	1,495
Life Sciences Tools & Services	105	81	—	186
Machinery	189	581	—	770
Marine	—	75	—	75
Media	1,397	702	—	2,099
Metals & Mining	1,294	639	—	1,933
Multi-Utilities	219	356	—	575
Multi-line Retail	203	168	—	371
Oil, Gas & Consumable Fuels	2,209	1,113	—	3,322
Paper & Forest Products	—	19	—	19
Personal Products	34	408	—	442
Pharmaceuticals	2,667	2,729	—	5,396
Professional Services	44	656	—	700
Real Estate Investment Trusts (REITs)	586	379	—	965
Real Estate Management & Development	34	313	—	347
Road & Rail	484	264	—	748
Semiconductors & Semiconductor Equipment	692	249	1	942
Software	1,386	90	—	1,476
Specialty Retail	1,163	206	—	1,369
Tech Hardware, Storage & Peripherals	1,838	142	—	1,980
Textiles, Apparel & Luxury Goods	566	316	—	882
Thriffs & Mortgage Finance	3	—	—	3
Tobacco	737	680	—	1,417
Trading Companies & Distributors	4	219	—	223
Transportation Infrastructure	—	265	—	265
Water Utilities	—	80	—	80
Wireless Telecommunication Services	24	586	—	610
Total Common Stocks	41,016	26,627	1	67,644

Notes to 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)
Rights	\$ —	\$ —@†	\$ —	\$ —@†
Warrant	1	—	—	1
Investment Companies	7,273	—	—	7,273
Call Options Purchased	—	157	—	157
Put Option Purchased	—	55	—	55
Short-Term Investments				
Investment Company	1,974	—	—	1,974
U.S. Treasury Security	—	1,232	—	1,232
Total Short-Term Investments	1,974	1,232	—	3,206
Foreign Currency				
Forward Exchange Contracts	—	509	—	509
Futures Contracts	537	—	—	537
Credit Default Swap Agreement	—	45	—	45
Interest Rate Swap Agreements	—	109	—	109
Total Return Swap Agreements	—	82	—	82
Total Assets	50,801	89,787†	1	140,589†
Liabilities:				
Call Options Written	—	(59)	—	(59)
Put Option Written	—	(8)	—	(8)
Foreign Currency				
Forward Exchange Contracts	—	(285)	—	(285)
Futures Contracts	(323)	—	—	(323)
Credit Default Swap Agreements	—	(27)	—	(27)
Interest Rate Swap Agreements	—	(102)	—	(102)
Total Return Swap Agreements	—	(13)	—	(13)
Total Liabilities	(323)	(494)	—	(817)
Total	\$50,478	\$89,293†	\$ 1	\$139,772†

@ 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. The Portfolio recognizes transfers between the levels as of the end of the period. As of December 31, 2015, securities with a total value of approximately \$287,000 transferred from Level 1 to Level 2. At December 31, 2015, the fair value of certain securities were adjusted due to developments which occurred between the time of the close of the foreign markets on which they trade and the close of business on the NYSE which resulted in their Level 2 classification. As of December 31, 2015, a security with a total value of approximately \$31,000 transferred from Level 2 to Level 1. The security that was valued using other significant observable inputs at December 31, 2014, was valued using unadjusted quoted prices at December 31, 2015.

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

	Common Stock (000)
Beginning Balance	\$ —
Purchases	16
Sales	—
Amortization of discount	—
Transfers in	—
Transfers out	—
Corporate actions	—
Change in unrealized appreciation (depreciation)	(15)
Realized gains (losses)	—
Ending Balance	\$ 1
Net change in unrealized appreciation (depreciation) from investments still held as of December 31, 2015	\$(15)

Notes to 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, 2015.

Fair Value at December 31, 2015 (000)		Valuation Technique	Unobservable Input	Range		Selected Value	Impact to Valuation from an Increase in Input
Semiconductors & Semiconductors Equipment							
Common Stock	\$1	Market Transaction Method	Precedent Transaction	\$0.03	\$0.03	\$0.03	Increase

3. Foreign Currency Translation and Foreign Investments:

The books and records of the Portfolio 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 Portfolio are presented at the foreign exchange rates and market values at the close of the period, the Portfolio 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 Portfolio 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 Portfolio'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 Statement of Assets and Liabilities. The change in unrealized currency gains (losses) on foreign currency translations for the period is reflected in the 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 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 Portfolio values the foreign shares at the closing exchange price of the local shares.

- 4. Derivatives:** The Portfolio 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, 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

Notes to Financial Statements (cont'd)

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 Portfolio'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 Portfolio 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 rules and regulations, or may cause the Portfolio to be more volatile than if the Portfolio had not been leveraged. Although the Adviser seeks to use derivatives to further the Portfolio'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 Portfolio used during the period and their associated risks:

Foreign Currency Forward Exchange Contracts:

In connection with its investments in foreign securities, the Portfolio 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 Portfolio may use cross currency hedging or proxy hedging with respect to currencies in which the Portfolio 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 Portfolio's securities are not denominated. Unanticipated changes in currency prices may result in poorer overall performance for the Portfolio 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 Portfolio as unrealized gain or loss. The Portfolio 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 contracts can lower total return, and the potential loss from futures contracts can exceed the Portfolio's initial investment in such contracts. No assurance can be

Notes to Financial Statements (cont'd)

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 Portfolio of margin deposits in the event of bankruptcy of a broker with which the Portfolio has open positions in the futures contract.

Swaps: The Portfolio 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 Portfolio'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 Portfolio'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 Portfolio 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 Portfolio'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 Portfolio may be either the buyer or seller in a credit default swap. Where the Portfolio 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 Portfolio 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 Portfolio 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 Portfolio if the Adviser fails to correctly evaluate the creditworthiness of the issuer of the referenced debt obligation.

If the Portfolio is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Portfolio 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 Portfolio is a buyer of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Portfolio 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 Portfolio'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 listed in the table following the Portfolio of Investments and serves as an indicator of the current status of the payment/performance risk of the credit derivative.

Notes to Financial Statements (cont'd)

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 Portfolio has an unrealized loss on a swap agreement, the Portfolio 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 Statement of Assets and Liabilities.

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

Options: With respect to options, the Portfolio is subject to equity risk, interest rate risk and foreign currency exchange risk in the normal course of pursuing its investment objectives. If the Portfolio buys an option, it buys a legal contract giving it the right to buy or sell a specific amount of the underlying instrument or futures contract on the underlying instrument, at an agreed-upon price typically in exchange for a premium paid by the Portfolio. The Portfolio may purchase and/or sell put and call options. Purchasing call options tends to increase the Portfolio's exposure to the underlying (or similar) instrument. Purchasing put options tends to decrease the Portfolio's exposure to the underlying (or similar) instrument. When entering into purchased option contracts, the Portfolio bears the risk of interest or exchange rates or securities prices moving unexpectedly, in which case, the Portfolio may not achieve the anticipated benefits of the purchased option contracts; however the risk of loss is limited to the premium paid. Purchased options are reported as part of “Total Investments in Securities” in the Statement of Assets and Liabilities. Premium paid for purchasing options which expired are treated as realized losses. If the Portfolio sells an option, it sells to another party the right to buy from or sell to the Portfolio a specific amount of the underlying instrument or futures contract on the underlying instrument at an agreed-upon price typically in exchange for a premium received by the Portfolio. The Portfolio may write call and put options on stock indexes, futures, securities or currencies it owns or in which it may invest. Writing put options tend to increase the Portfolio's exposure to the underlying

instrument. Writing call options tend to decrease the Portfolio's exposure to the underlying instruments. When the Portfolio writes a call or put option, an amount equal to the premium received is recorded as a liability. Any liability recorded is subsequently adjusted to reflect the current value of the options written. Premiums received from writing options which expire are treated as realized gains. Premiums received from writing options which are exercised or are closed are added to or offset against the proceeds or amount paid on the transaction to determine the net realized gain or loss. The Portfolio as a writer of an option has no control over whether the underlying future, security or currency may be sold (call) or purchased (put) and as a result bears the market risk of an unfavorable change in the price of the future, security or currency underlying the written option. When options are purchased OTC, the Portfolio bears the risk that the counterparty that wrote the option will be unable or unwilling to perform its obligations under the option contract. Options may also be illiquid and the Portfolio may have difficulty closing out its position. A decision as to whether, when and how to use options involves the exercise of skill and judgment and even a well-conceived option transaction may be unsuccessful because of market behavior or unexpected events. The prices of options can be highly volatile and the use of options can lower total returns.

Transactions in written options for the year ended December 31, 2015 were as follows:

	Notional Amount (000)	Premiums Received (000)
Written Options		
Options outstanding at December 31, 2014	—	\$—
Options written	10,270	72
Options outstanding at December 31, 2015	10,270	\$72

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 Portfolio uses derivative instruments, how these derivative instruments are accounted for and their effects on the Portfolio's financial position and results of operations.

Notes to Financial Statements (cont'd)

The following tables set forth the fair value of the Portfolio's derivative contracts by primary risk exposure as of December 31, 2015.

Asset Derivatives		Primary Risk Exposure	Value (000)
Statement of Assets and Liabilities Location			
Options Purchased	Investments, at Value (Options Purchased)	Currency Risk	\$ 212(a)
Foreign Currency Forward Exchange Contracts	Unrealized Appreciation on Foreign Currency Forward Exchange Contracts	Currency Risk	509
Futures Contract	Variation Margin on Futures Contract	Commodity Risk	18(b)
Futures Contracts	Variation Margin on Futures Contracts	Equity Risk	383(b)
Futures Contracts	Variation Margin on Futures Contracts	Interest Rate Risk	136(b)
Swap Agreements	Unrealized Appreciation on Swap Agreements	Credit Risk	45
Swap Agreements	Unrealized Appreciation on Swap Agreements	Equity Risk	82
Swap Agreements	Unrealized Appreciation on Swap Agreements	Interest Rate Risk	109
Total			\$1,494

Liability Derivatives		Primary Risk Exposure	Value (000)
Statement of Assets and Liabilities Location			
Options Written	Options Written, at Value	Currency Risk	\$ (67)
Foreign Currency Forward Exchange Contracts	Unrealized Depreciation on Foreign Currency Forward Exchange Contracts	Currency Risk	(285)
Futures Contracts	Variation Margin on Futures Contracts	Equity Risk	(299)(b)
Futures Contracts	Variation Margin on Futures Contracts	Interest Rate Risk	(24)(b)
Swap Agreements	Unrealized Depreciation on Swap Agreements	Credit Risk	(27)
Swap Agreements	Unrealized Depreciation on Swap Agreements	Equity Risk	(13)
Swap Agreements	Unrealized Depreciation on Swap Agreements	Interest Rate Risk	(31)
Swap Agreements	Variation Margin on Swap Agreements	Interest Rate Risk	(71)(b)
Total			\$(817)

(a)Amounts are included in Investments in Securities in the Statement of Assets and Liabilities.

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

The following tables set forth by primary risk exposure the Portfolio's realized gains (losses) and change in unrealized appreciation (depreciation) by type of derivative contract for the year ended December 31, 2015 in accordance with ASC 815.

Realized Gain (Loss)		Value (000)
Primary Risk Exposure	Derivative Type	
Currency Risk	Foreign Currency Forward Exchange Contracts	\$(1,484)
Commodity Risk	Futures Contracts	(129)
Equity Risk	Futures Contracts	(766)
Interest Rate Risk	Futures Contracts	161
Credit Risk	Swap Agreements	286
Equity Risk	Swap Agreements	(1,086)
Interest Rate Risk	Swap Agreements	(985)
Total		\$(4,003)

Change in Unrealized Appreciation (Depreciation)		Value (000)
Primary Risk Exposure	Derivative Type	
Currency Risk	Options Purchased	\$ 48(c)
Currency Risk	Options Written	5
Currency Risk	Foreign Currency Forward Exchange Contracts	493
Commodity Risk	Futures Contract	25
Equity Risk	Futures Contracts	150
Interest Rate Risk	Futures Contracts	(65)
Credit Risk	Swap Agreements	64
Equity Risk	Swap Agreements	(357)
Interest Rate Risk	Swap Agreements	59
Total		\$ 422

(c)Amounts are included in Investments in the Statement of Operations.

At December 31, 2015, the Portfolio's derivative assets and liabilities are as follows:

Gross Amounts of Assets and Liabilities Presented in the Statement of Assets and Liabilities		
Derivatives(d)	Assets(e) (000)	Liabilities(e) (000)
Options Purchased	\$212(a)	\$ —
Options Written, at value	—	(67)
Foreign Currency Forward Exchange Contracts	509	(285)
Swap Agreements	236	(71)
Total	\$957	\$(423)

(a)Amounts are included in Investments in Securities in the Statement of Assets and Liabilities.

(d)Excludes exchange traded derivatives.

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

The Portfolio 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 Portfolio typically may offset with the counterparty certain OTC

Notes to Financial Statements (cont'd)

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 Portfolio 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 Portfolio 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 Portfolio's net liability may be delayed or denied.

The following tables present derivative financial instruments that are subject to enforceable netting arrangements as of December 31, 2015.

Gross Amounts Not Offset in the Statement of Assets and Liabilities

Counterparty	Gross Asset Derivatives Presented in Statement of Assets and Liabilities (000)	Financial Instrument (000)	Collateral Received (000)	Net Amount (not less than \$0) (000)
Bank of America NA	\$ 5	\$ (5)	\$—	\$ 0
Bank of Montreal	5	(5)	—	0
Bank of New York Mellon	28	—	—	28
Barclays Bank PLC	65	(17)	—	48
BNP Paribas SA	5	(2)	—	3
Citibank NA	212	(29)	—	183
Commonwealth Bank of Australia	18	—	—	18
Credit Suisse International	10	(10)	—	0
Deutsche Bank AG	104	(38)	—	66
Goldman Sachs International	113	(43)	—	70
HSBC Bank PLC	6	(5)	—	1
JPMorgan Chase Bank NA	233	(78)	—	155
State Street Bank and Trust Co.	46	—	—	46
UBS AG	107	(41)	—	66
Total	\$957	\$(273)	\$—	\$684

Gross Amounts Not Offset in the Statement of Assets and Liabilities

Counterparty	Gross Liability Derivatives Presented in Statement of Assets and Liabilities (000)	Financial Instrument (000)	Collateral Pledged (000)	Net Amount (not less than \$0) (000)
Bank of America NA	\$ 9	\$ (5)	\$ —	\$ 4
Bank of Montreal	9	(5)	—	4
Barclays Bank PLC	28	(17)	(11)	0
BNP Paribas SA	2	(2)	—	0
Citibank NA	29	(29)	—	0
Credit Suisse International	20	(10)	—	10
Deutsche Bank AG	38	(38)	—	0
Goldman Sachs International	62	(43)	(19)	0
HSBC Bank PLC	5	(5)	—	0
JPMorgan Chase Bank NA	177	(78)	—	99
Northern Trust Company	1	—	—	1
UBS AG	43	(41)	—	2
Total	\$423	\$(273)	\$(30)	\$120

For the year ended December 31, 2015, the approximate average monthly amount outstanding for each derivative type is as follows:

Foreign Currency Forward Exchange Contracts:

Average monthly principal amount \$ 77,208,000

Futures Contracts:

Average monthly original value \$121,713,000

Swap Agreements:

Average monthly notional amount \$ 99,487,000

Options Purchased:

Average monthly notional amount 1,824,000

Options Written:

Average monthly notional amount 1,824,000

5. When-Issued/Delayed Delivery Securities:

The Portfolio 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 Portfolio 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 Portfolio 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 Portfolio'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

Notes to Financial Statements (cont'd)

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 Portfolio.

6. Indemnifications: The Fund enters into contracts that contain a variety of indemnifications. The Fund's maximum exposure under these arrangements is unknown. However, the Fund 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 Portfolio 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 Fund can be directly attributed to a particular Portfolio. Expenses which cannot be directly attributed are apportioned among the Portfolios 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 Portfolio 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 Portfolio 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 Portfolio to further risk of loss in the event of a failure to complete the transaction by the counterparty.

8. Dividends and Distributions to Shareholders:

Dividend income 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 Portfolio 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, 2015, the advisory fee rate (net of waivers/rebate) was equivalent to an annual effective rate of 0.00% of the Portfolio's average daily net assets.

The Adviser has agreed to reduce its advisory fee and/or reimburse the Portfolio so that the total annual operating expenses, excluding certain investment related expenses, taxes, interest and other extraordinary expenses (including litigation), will not exceed 0.60% for Class I shares and 0.70% for Class II shares. Effective August 1, 2015, the Adviser has agreed to reduce its advisory fee and/or reimburse the Portfolio so that total annual portfolio operating expenses 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 Portfolio's prospectus or until such time as the Directors act to discontinue all or a portion of such waivers and/or reimbursements when they deem such action is appropriate. For the year ended December 31, 2015, approximately \$1,233,000 of advisory fees were waived and approximately \$3,000 of other expenses were reimbursed by the Adviser pursuant to this arrangement.

C. Administration Fees: The Adviser also serves as Administrator to the Fund and provides administrative services pursuant to an Administration Agreement for an annual fee, accrued daily and paid monthly, of 0.25% of the Portfolio's average daily net assets. Effective May 1, 2015, the administration fee was reduced to 0.08%.

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 Fund. For such services, the Administrator pays State Street a portion of the fee the Administrator receives from the Portfolio.

D. Servicing Fees: Effective May 1, 2015, the Fund accrues daily and pays quarterly a servicing fee of up to 0.17% of the average daily value of shares of the Portfolio held in an in-

Notes to Financial Statements (cont'd)

insurance company's account. Certain insurance companies have entered into a servicing agreement with the Fund to provide administrative and other contract-owner related services on behalf of the Portfolio.

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 Portfolio and provides the Portfolio'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 Portfolio is authorized to pay the Distributor a distribution fee, which is accrued daily and paid monthly, at an annual rate of 0.35% of the Portfolio's average daily net assets attributable to Class II shares. The Distributor has agreed to waive 0.25% of the 0.35% distribution fee that it may receive. Effective May 1, 2015, the distribution fee was reduced to 0.25% and 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 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, 2015, this waiver amounted to approximately \$51,000.

F. Dividend Disbursing and Transfer Agent: The Fund's dividend disbursing and transfer agent is Boston Financial Data Services, Inc. ("BFDS"). Pursuant to a Transfer Agency Agreement, the Fund pays BFDS a fee based on the number of classes, accounts and transactions relating to the Portfolios of the Fund.

G. Custodian Fees: State Street (the "Custodian") serves as Custodian for the Fund in accordance with a Custodian Agreement. The Custodian holds cash, securities, and other assets of the Fund 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, 2015, purchases and sales of investment securities for the Portfolio, other than long-term U.S. Government securities and short-term investments, were approximately \$107,591,000 and \$123,175,000, respectively. For the year ended December 31, 2015, purchases and sales of long-term U.S. Government securities were approximately \$107,087,000 and \$94,184,000, respectively.

The Portfolio invests in Morgan Stanley Institutional Fund, Inc. – Emerging Markets Portfolio ("Emerging Markets Portfolio"), an open-end management investment company advised by an affiliate of the Adviser. Advisory fees paid by the

Portfolio are reduced by an amount equal to its pro-rata share of the advisory and administration fees paid by the Emerging Markets Portfolio. For the year ended December 31, 2015, advisory fees paid were reduced by approximately \$29,000 relating to the Portfolio's investment in the Emerging Markets Portfolio. The Emerging Markets Portfolio has a cost basis of approximately \$3,100,000 at December 31, 2015.

A summary of the Portfolio's transactions in shares of the Emerging Markets Portfolio during the year ended December 31, 2015 is as follows:

Value December 31, 2014 (000)	Purchases at Cost (000)	Sales (000)	Dividend Income (000)	Value December 31, 2015 (000)
\$2,610	\$20	\$—	\$20	\$2,341

The Portfolio invests in the Institutional Class of the Morgan Stanley Institutional Liquidity Funds – Money Market Portfolio (the "Liquidity Funds"), an open-end management investment company managed by the Adviser. Advisory fees paid by the Portfolio are reduced by an amount equal to its pro-rata share of advisory and administration fees paid by the Portfolio due to its investments in the Liquidity Funds. For the year ended December 31, 2015, advisory fees paid were reduced by approximately \$13,000 relating to the Portfolio's investment in the Liquidity Funds.

A summary of the Portfolio's transactions in shares of the Liquidity Funds during the year ended December 31, 2015 is as follows:

Value December 31, 2014 (000)	Purchases at Cost (000)	Sales (000)	Dividend Income (000)	Value December 31, 2015 (000)
\$33,006	\$89,076	\$120,108	\$21	\$1,974

The Portfolio 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 Portfolio.

I. Federal Income Taxes: It is the Portfolio'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.

Notes to Financial Statements (cont'd)

The Portfolio 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 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 financial statements. If applicable, the Portfolio recognizes interest accrued related to unrecognized tax benefits in "Interest Expense" and penalties in "Other Expenses" in the Statement of Operations. The Portfolio 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, 2015, remains subject to examination by taxing authorities.

The tax character of distributions paid may differ from the character of distributions shown in the Statements of Changes in Net Assets due to short-term capital gains being treated as ordinary income for tax purposes. The tax character of distributions paid during fiscal years 2015 and 2014 was as follows:

2015 Distributions Paid From:		2014 Distributions Paid From:	
Ordinary Income (000)	Long-Term Capital Gain (000)	Ordinary Income (000)	Long-Term Capital Gain (000)
\$2,692	\$1,279	\$1,547	\$15,929

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 foreign currency transactions and on certain equity securities designated as issued by passive foreign investment companies, swap transactions, paydown adjustments, distribution redesignation and a net operating loss,

resulted in the following reclassifications among the components of net assets at December 31, 2015:

Distributions in Excess of Net Investment Income (000)	Accumulated Net Realized Loss (000)	Paid-in- Capital (000)
\$(3,047)	\$4,566	\$(1,519)

At December 31, 2015, the components of distributable earnings for the Portfolio on a tax basis were as follows:

Undistributed Ordinary Income (000)	Undistributed Long-Term Capital Gain (000)
\$—	\$594

At December 31, 2015, the Portfolio had available for Federal income tax purposes unused capital losses which will expire on the indicated dates:

Amount (000)	Expiration*
\$3,627	December 31, 2017

* Includes capital losses acquired from Morgan Stanley Variable Investment Series Strategist Portfolio that may be subject to limitation under IRC section 382 in future years, reducing the total carryforward available.

To the extent that capital loss carryforwards are used to offset any future capital gains realized, no capital gains tax liability will be incurred by the Portfolio for gains realized and not distributed. To the extent that capital gains are offset, such gains will not be distributed to the shareholders. During the year ended December 31, 2015, the Portfolio utilized capital loss carryforwards for U.S. Federal income tax purposes of approximately \$1,814,000.

J. Other: At December 31, 2015, the Portfolio had record owners of 10% or greater. Investment activities of these shareholders could have a material impact on the Portfolio. The aggregate percentage of such owners was 78.4%.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of
The Universal Institutional Funds, Inc. —
Global Strategist Portfolio

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of Global Strategist Portfolio (formerly Global Tactical Asset Allocation Portfolio) (one of the portfolios constituting The Universal Institutional Funds, Inc.) (the “Portfolio”) as of December 31, 2015, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended and the financial highlights for each of the years or periods indicated therein. These financial statements and financial highlights are the responsibility of the Portfolio’s management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Portfolio’s internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Portfolio’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2015, by correspondence with the custodian and others or by other appropriate auditing procedures where replies from others were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Global Strategist Portfolio (one of the portfolios constituting The Universal Institutional Funds, Inc.) at December 31, 2015, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the years or periods indicated therein, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

Boston, Massachusetts
February 19, 2016

Federal Tax Notice (unaudited)

For Federal income tax purposes, the following information is furnished with respect to the distributions paid by the Portfolio during its taxable year ended December 31, 2015. For corporate shareholders 41.98% of the dividends qualified for the dividends received deduction.

The Portfolio designated and paid approximately \$1,279,000 as a long-term capital gain distribution.

In January, the Portfolio 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 Director**	Other Directorships Held by Independent Director***
Frank L. Bowman (71) c/o Kramer Levin Naftalis & Frankel LLP Counsel to the Independent Directors 1177 Avenue of the Americas New York, NY 10036	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 (February 2007-December 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'Ordre National du Mérite by the French Government; elected to the National Academy of Engineering (2009).	98	Director of BP p.l.c.; Director of Naval and Nuclear Technologies LLP; Director Emeritus of the Armed Services YMCA; Director of the U.S. Naval Submarine League; Member of the National Security Advisory Council of the Center for U.S. Global Engagement and a member of the CNA Military Advisory Board; Chairman of the Charity, J Street Cup Golf, Trustee of Fairhaven United Methodist Church; and Director of other various non-profit organizations.
Kathleen A. Dennis (62) c/o Kramer Levin Naftalis & Frankel LLP Counsel to the Independent Directors 1177 Avenue of the Americas New York, NY 10036	Director	Since August 2006	President, Cedarwood Associates (mutual fund and investment management consulting) (since July 2006); Chairperson of the Money Market 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).	98	Director of various nonprofit organizations.
Nancy C. Everett (61) c/o Kramer Levin Naftalis & Frankel LLP Counsel to the Independent Trustees 1177 Avenue of the Americas New York, NY 10036	Trustee	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).	98	Member of Virginia Commonwealth University School of Business Foundation; formerly, 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 (58) c/o Kramer Levin Naftalis & Frankel LLP Counsel to the Independent Directors 1177 Avenue of the Americas New York, NY 10036	Director	Since January 2015	Chairman and Chief Executive Officer, Opus Capital Group (since January 1996); and 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).	98	Director of Cincinnati Bell Inc. and Member, Audit Committee and Compensation Committee; Director of Northern Kentucky University Foundation and Member, Investment Committee; Member of Chase College of Law Transactional Law Practice Center Board of Advisors; Director of Best Transport; 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	Positions(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 Director**	Other Directorships Held by Independent Director***
Dr. Manuel H. Johnson (67) c/o Johnson Smick International, Inc. 220 I Street, N.E. — 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.	100	Director of NVR, Inc. (home construction).
Joseph J. Kearns (73) c/o Kearns & Associates LLC 23823 Malibu Road S-50-440 Malibu, CA 90265	Director	Since August 1994	President, 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.	101	Director of Electro Rent Corporation (equipment leasing). Prior to December 31, 2013, Director of The Ford Family Foundation.
Michael F. Klein (57) c/o Kramer Levin Naftalis & Frankel LLP Counsel to the Independent Directors 1177 Avenue of the Americas New York, NY 10036	Director	Since August 2006	Managing Director, Aetos Capital, LLC (since March 2000); Co-President, Aetos Alternatives Management, LLC (since January 2004); and Co-Chief Executive Officer of Aetos Capital LLC (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, President, various Morgan Stanley Funds (June 1998-March 2000) and Principal, Morgan Stanley & Co. Inc. and Morgan Stanley Dean Witter Investment Management (August 1997-December 1999).	97	Director of certain investment funds managed or sponsored by Aetos Capital, LLC. Director of Sanitized AG and Sanitized Marketing AG (specialty chemicals).
Michael E. Nugent (79) 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) and Director or Trustee of various Morgan Stanley Funds (since July 1991); formerly, Chairperson of the Insurance Committee (until July 2006), General Partner, TriumphCapital, L.P. (private investment partnership) (1988-2013).	100	None.
W. Allen Reed (68) c/o Kramer Levin Naftalis & Frankel LLP Counsel to the Independent Directors 1177 Avenue of the Americas New York, NY 10036	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).	98	Director of Legg Mason, Inc.; formerly Director of the Auburn University Foundation (2010-2015).
Fergus Reid (83) 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).	100	Formerly, Trustee and Director of certain investment companies in the JP Morgan Fund Complex managed by JP Morgan Investment Management Inc. (1987-2012).

Director and Officer Information (unaudited) (cont'd)

Interested Director:

Name, Age and Address of Interested Director	Position(s) Held with Registrant	Length of Time Served*	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Interested Director**	Other Directorships Held by Interested Director***
James F. Higgins (68) One New York Plaza, New York, NY 10004	Director	Since June 2000	Director or Trustee of various Morgan Stanley Funds (since June 2000); Senior Advisor of Morgan Stanley (since August 2000).	99	Formerly, Director of AXA Financial, Inc. and AXA Equitable Life Insurance Company (2002-2011) and Director of AXA MONY Life Insurance Company and AXA MONY Life Insurance Company of America (2004-2011).

* 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, 2015) 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.

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 (52) 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).
Stefanie V. Chang Yu (49) 522 Fifth Avenue New York, NY 10036	Chief Compliance Officer	Since December 1997	Managing Director of the Adviser and various entities affiliated with the Adviser; Chief Compliance Officer of various Morgan Stanley Funds and the Adviser (since January 2014); formerly, Vice President of various Morgan Stanley Funds (December 1997-January 2014).
Joseph C. Benedetti (50) 522 Fifth Avenue New York, NY 10036	Vice President	Since January 2014	Managing Director of the Adviser and various entities affiliated with the Adviser; Vice President of various Morgan Stanley Funds (since January 2014); formerly, Assistant Secretary of various Morgan Stanley Funds (October 2004-January 2014).
Francis J. Smith (50) 522 Fifth Avenue New York, NY 10036	Treasurer and Principal Financial Officer	Treasurer since July 2003 and Principal Financial Officer since September 2002	Executive 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 (48) 522 Fifth Avenue New York, NY 10036	Secretary	Since June 1999	Executive Director of the Adviser; Secretary of various Morgan Stanley Funds (since June 1999).

**** 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 has qualified.

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Adviser and Administrator

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

Distributor

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

Dividend Disbursing and Transfer Agent

Boston Financial Data Services, Inc.
2000 Crown Colony Drive
Quincy, Massachusetts 02169

Custodian

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

Legal Counsel

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

Counsel to the Independent Directors

Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, New York 10036

Independent Registered Public Accounting Firm

Ernst & Young LLP
200 Clarendon Street
Boston, Massachusetts 02116

Reporting to Shareholders

Each Morgan Stanley fund provides a complete schedule of portfolio holdings in its semi-annual and 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. 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 may also review and copy them at the SEC's Public Reference Room in Washington, DC. Information on the operation of the SEC's Public Reference Room may be obtained by calling the SEC toll free at 1 (800) SEC-0330. 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) or by writing the Public Reference Room of the SEC, Washington, DC 20549-0102.

Proxy Voting Policies and Procedures and Proxy Voting Record

You may obtain a copy of the Fund's Proxy Voting Policy and Procedures and information regarding how the Fund 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. 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 Portfolio. For more detailed information about the Portfolio, its fees and expenses and other pertinent information, please read its Prospectus. The Fund's Statement of Additional Information contains additional information about the Portfolio, 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 Portfolio unless preceded or accompanied by an effective Prospectus. Read the Prospectus carefully before investing.