

## MORGAN STANLEY THEMATIC BASKETS

# Quality Dividend Strategy

### INVESTMENT THESIS

This basket will invest in companies that Morgan Stanley Wealth Management Global Investment Office ("MSWM GIO") believes have high current dividend yields, as well as certain fundamental valuation, quality, growth and price characteristics that may generate strong, relative, total returns through varied market environments.

### PORTFOLIO SELECTION

To make its selections, MSWM GIO utilized a proprietary stock scoring system that seeks to provide an objective, quantitative methodology to identify companies with strong fundamental characteristics.



RANKING CRITERIA	CALCULATION	FACTORS
<b>Dividend Yield</b>	Current indicated dividend yield	Value
<b>Dividend Growth</b>	Three-year annualized growth rate in dividend levels	Growth & Quality
<b>Estimated Returns</b>	Estimated by MSWM GIO Proprietary Tool	Growth, Momentum, Quality & Value
<b>Free Cash Flow Yield</b>	Ratio of free cash flow to price over the last 12 months	Quality & Value
<b>Estimated Long-Term Growth</b>	Median long-term earnings growth forecast as determined by an independent financial data provider	Growth
<b>Estimated Near-Term Value</b>	Estimated by MSWM GIO Proprietary Tool	Momentum & Value
<b>Quality</b>	Estimated by MSWM GIO Proprietary Tool	Quality
<b>Return on Equity</b>	Reported earnings to common equity divided by the average of the most recent reported shareholders' equity and the reported shareholders' equity from the prior year	Quality

PORTFOLIO CHARACTERISTICS	
<b>Benchmark</b>	Russell 1000 Value Index
<b>No. of Stocks</b>	50 to 75
<b>Dividend Yield</b>	> 1.3x of benchmark's yield as of deposit
<b>Sector Weights</b>	± 5% of benchmark's weights
<b>Anticipated Volatility</b>	Intended to not be materially more volatile than the broader market
<b>Anticipated Tracking Error</b>	Sought to be minimized vs. benchmark

### Unit Investment Trust Portfolio Information

**SPONSOR:** Morgan Stanley Smith Barney LLC

**ASSET CLASS:** U.S. Equities

**INITIAL DATE OF DEPOSIT:** June 24, 2021

**TERMINATION DATE:** September 26, 2022

**SECURITIES:** TBD

#### CUSIPs

Cash accounts 617750104

Fee accounts<sup>3,4</sup> 617750203

#### MORGAN STANLEY SYMBOLS

Cash accounts MSQD1

Fee accounts MSQD1F

NASDAQ ticker MSQDAX

#### Sales Charges for Standard Accounts<sup>1,2,4</sup>

##### Retail/Brokerage Accounts

Initial Sales Charge<sup>2</sup> 0.00%

Deferred Sales Charge 1.50%

Maximum Sales Charge 1.50%

#### CGA/PM ADVISORY ACCOUNT<sup>3,4</sup>

##### Maximum Sales Charge

0.00%

1. Based on a \$10.00 Unit price.

2. There is no initial sales charge if the Unit price is \$10.00 per Unit or less. If the Unit price exceeds \$10.00 per Unit an initial sales charge is paid at the time of purchase.

3. Advisory accounts are charged an annual asset-based fee. See the disclosure page for more information.

4. Unitholders also pay organizational fees and ongoing operating expenses. Please see the prospectus for more information regarding fees and expenses.

# Morgan Stanley

## Disclosures | Quality Dividend Strategy

### ABOUT UITs

Morgan Stanley UITs offer numerous benefits for clients:

- **Disciplined approach:** Takes the emotion out of the investment process by eliminating the need for buy and sell decisions
- **Fully transparent:** Clients know what the UIT holds for the duration of the UIT's life
- **Defined life:** UITs have a defined maturity date
- **Convenience:** UITs offer one ticket exposure to various asset classes, market sectors, thought leadership and/or investment themes
- **Exclusivity:** Offered only to Morgan Stanley clients

**DISCLOSURES |** The portfolio is designed to remain fixed over its 15-month term. There is no guarantee it will achieve its objective.

Information contained herein and in the preliminary prospectus is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission, but has not yet become effective. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This communication shall not constitute an offer to sell or a solicitation of an offer to buy; nor shall there be any sale of these securities in any state in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

**RISK CONSIDERATIONS |** Choosing a unit investment trust ("UIT") depends on a client's tolerance for risk, among other things. As with any equity investment, unit prices will fluctuate and there is no assurance that prices will appreciate and not decline over the life of a UIT. Stock prices can be volatile and holders can lose money by investing in a UIT. In addition, the amount of dividends a client receives depends on each issuer's dividend policy, the financial condition of the securities and general economic conditions. Clients should understand the potential risks associated with common stocks. In addition, the Trust may invest significantly in one or more sectors. Because of their narrow focus, sector investments tend to be more volatile than investments that diversify across many sectors.

The portfolio is a UIT, which uses a buy and hold strategy that is designed to remain fixed over its 15 month term. The Trust issues redeemable securities or "units" at prices based on net asset value. Units can be sold at any time, in accordance with a trust's prospectus, at a price that will reflect the net asset value less any remaining deferred sales charge and/or other charges as applicable. The proceeds may be more or less than the original value of a client's investment. Clients can opt for dividends to be reinvested in additional units or paid out in cash. The Trust is part of a long-term strategy and clients should consider their ability to remain invested until the trust reaches maturity. Clients should also consider the tax implications of investing in successive portfolios if one is available. Morgan Stanley Smith Barney LLC and its affiliates do not provide tax or legal advice. Clients should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

You should note that the Trust will continue to purchase or hold securities, notwithstanding the fact that MSWM GIO may revise its opinion with respect to any individual security based on the selection process employed by MSWM GIO or any subsequent analysis. In particular, any subsequent creation of a similar type of list of securities or an update of any above referenced selection process by MSWM GIO will not affect the composition of the Trust. Although MSWM GIO identified the securities based upon a 12-month outlook, the Trust has a maximum duration of 15 months and does not intend to change its composition prior to termination.

**Consulting Group Advisor or Portfolio Manager Accounts** – Units may be purchased through a Consulting Group Advisor ("CGA") non-discretionary investment advisory account or a Portfolio Manager ("PM") discretionary investment advisory account. Units that are eligible for purchase through CGA/PM accounts are not assessed sales charges but CGA/PM accounts charge an annual asset-based program fee of up to 2.00%. Clients should see the CGA/PM program disclosure brochure (available online at [www.morganstanley.com/ADV](http://www.morganstanley.com/ADV)) for more information on the CGA/PM program, including the conflicts of interest associated with offering a proprietary UIT in the CGA/PM program.

Diversification does not guarantee a profit or protect against a loss.