

 BNY MELLON  
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# Morgan Stanley

## To the Unitholders of: *Morgan Stanley Portfolios, Series 40 - Optimized Equity Dividend Strategy, Series 10*

In accordance with the Standard Terms and Conditions of the Trust, The Bank of New York Mellon, Trustee, submits the following cash basis statement for the period January 1, 2021 thru the termination date August 4, 2021.

### Income Account

Balance on January 1, 2021	\$	52,776.39
Income Received on Securities		344,903.46
Supplemental Deposit Income		189.46
Less:		
Trustee Fee and Fund Expenses	\$	23,453.97
Sponsors Fees		21,568.36
Income Paid for Unit Redemptions		50,225.90
Distributions to Unitholders		302,621.08
Balance on August 4, 2021*	\$	0.00

### Distributions From the Income Account

	Date	Rate per Unit	Total per Distribution
Monthly:	01-25-21	\$ 0.01912	\$ 39,800.90
	02-25-21	0.02424	50,392.85
	03-25-21	0.01647	34,166.98
	04-25-21	0.02313	48,005.92
	05-25-21	0.02030	42,139.45
	06-25-21	0.02332	47,742.27
	08-04-21	0.05224	40,372.71
Total		\$ 0.17882	\$ 302,621.08

### Principal and Redemption Accounts

Balance on January 1, 2021	\$	30,288.84
Proceeds Received from Sale, Maturity, Liquidation or Redemption of Securities		31,157,637.07
Receipts from Supplemental Deposits		101,186.25
Less:		
Payments for Securities Acquired \$	61,213.13	
Proceeds Paid to Unitholders from the Redemption Account for Redemption of Units	19,673,268.13	
Principal Distributions from Capital Account	11,553,766.90	
Organizational Expenses	864.00	
Balance on August 4, 2021*	\$	0.00

### Distributions From the Principal Account

	Date	Rate per Unit	Total per Distribution
	08-04-21	\$ 14.94969	\$ 11,553,766.90
Total		\$ 14.94969	\$ 11,553,766.90

### Securities Removed From the Portfolio

Date	Shares	Description	Proceeds
Various	1,114	3M Co	\$ 221,182.07
Various	1,739	Abbott Laboratories	206,086.31
Various	3,293	Abbvie Inc	382,452.34
Various	1,535	Accenture Plc	475,923.94
Various	1,016	Adobe Systems Inc	615,231.29
Various	12,489	Agnc Invest Corp	204,037.48
Various	905	Air Products & Chemicals Inc	263,352.48
Various	498	Alphabet Inc Class A	1,289,367.11
Various	5,462	Altria Group Inc	260,241.21
Various	292	Amazon Communications Inc	1,011,803.63
Various	705	American Tower Corp	196,371.50
Various	1,227	Amgen Corp	298,013.12
Various	11,952	Apple Computer Inc	1,707,728.05
Various	14,038	AT&T Inc	398,669.96
Various	1,943	Automatic Data Processing Inc	398,339.71
Various	10,216	Bank of America Corp	397,598.80
Various	904	Berkshire Hathaway Inc-Class B	251,628.50
Various	499	Biogen Inc	168,054.13
Various	190	Blackrock Inc Cl A Com	165,944.06
Various	2,875	Bristol Myers Squibb Co	193,888.15
Various	601	Broadcom Inc	288,625.02
Various	8,976	Cisco Systems	487,572.71
Various	9,075	Cna Financial Corp	405,481.47
Various	3,602	Coca-Cola Co	202,024.31
Various	6,287	Comcast Corp New Cl A	364,710.86
Various	1,227	Costco Wholesale Corp	509,052.98
Various	3,910	Eaton Corp Plc	601,279.46
Various	904	Eli Lilly Corp	214,909.13
Various	10,526	Equity Commonwealth	280,357.58
Various	2,254	Facebook Inc	790,574.12
Various	5,042	Fastenal Co	270,813.83
Various	1,535	Hershey Foods Corp	271,742.47
Various	1,425	Home Depot Inc	459,956.02
Various	905	Honeywell International Inc	206,776.15
Various	1,739	Illinois Tool Works Inc	393,960.12
Various	5,145	Intel Corp	282,935.12
Various	1,327	International Business Machines Corp	188,313.66
Various	498	Intuit Inc	254,649.55
Various	22,410	Invesco Plc	570,028.05
Various	3,293	Johnson & Johnson	558,416.73
Various	3,392	Jp Morgan Chase & Co	517,191.03
Various	810	Lam Research Corp	511,430.38
Various	602	Lockheed Martin Corp	226,175.30
Various	1,327	Mastercard Inc Class A	506,747.69
Various	1,115	McDonalds Corp	266,352.04
Various	2,564	Medtronic Plc	329,396.56
Various	4,630	Merck & Co. New	356,628.00
Various	4,843	Microsoft Corp	1,351,746.84
Various	2,875	Mondelez International Inc	182,113.42
Various	499	Netflix Inc	260,252.41

**Statement Regarding Negative Balances.** Income Account - A negative balance in the Income Account may be attributed to the payment cycle of the securities in the Portfolio. Distributions may be more or less than the amount credited to the Income Account. Principal and Redemption Accounts - A negative balance in the Principal and Redemption Accounts may be attributed to pending securities sales to meet unit redemptions.

Bid prices have been determined and furnished to the Trustee by the Evaluator for the Trust. The prices quoted above are stated as a percentage of the face value.

The Bank of New York Mellon, as Trustee, is not in a position to determine, or assist unit holders in determining capital gains and losses. Questions that apply to the calculations of income taxes should be referred to your tax consultant.

**Securities Removed From the Portfolio - Continued**

Date	Shares	Description	Proceeds
Various	48,150	New Residential Investment	479,497.62
Various	5,708	Nextera Energy Inc	437,411.76
Various	2,150	Nike Inc	344,927.57
Various	1,371	Nvidia Corp	386,734.94
Various	16,934	Occidental Petroleum Corp	465,654.13
Various	999	Occidental Petroleum Wts Exercise \$22.00 08/03/27	11,508.47
Various	3,803	Omnicom Group	287,850.45
Various	4,222	Oracle Corp	361,061.85
Various	455	Organon and Co	13,422.92
Various	3,392	Paychex Inc	376,428.59
Various	905	Paypal Holdings Inc	257,548.82
Various	1,425	Pepsico Inc	218,994.36
Various	6,802	Pfizer Inc	281,454.51
Various	1,942	Philip Morris International	192,752.90
Various	1,635	Procter & Gamble Co	227,144.69
Various	1,535	Qualcomm Inc	222,013.48
Various	705	Salesforce.Com Inc	171,095.74
Various	2,664	Simon Property Group Inc	339,156.93
Various	1,847	Starbucks Coffee	219,445.93
Various	1,535	T Rowe Price Group Inc	310,499.52
Various	31,302	Targa Resources Corp.	1,345,581.56
Various	2,564	Texas Instruments	486,664.03
Various	1,847	Union Pacific Corp	406,297.64
Various	1,636	United Parcel Service -Class B	327,229.14
Various	1,847	Unitedhealth Group Inc	757,255.81
Various	4,111	Verizon Communications	231,000.45
Various	841	Viatis Inc	11,993.81
Various	3,181	Visa Inc Cl A	770,882.60
Totals	341,738		\$ 31,157,637.07

**Securities Acquired - Purchases**

Date	Shares	Description	Cost
Various	5	Abbott Laboratories	\$ 595.60
Various	9	Abbvie Inc	990.86
Various	4	Accenture Plc	1,084.05
Various	42	Agnc Invest Corp	714.30
Various	17	Altria Group Inc	787.06
Various	1	Amgen Corp	230.12
Various	40	Apple Computer Inc	5,150.36
Various	48	AT&T Inc	1,435.71
Various	5	Automatic Data Processing Inc	907.24
Various	33	Bank of America Corp	1,216.38
Various	8	Bristol Myers Squibb Co	512.10
Various	29	Cisco Systems	1,408.92
Various	30	Cna Financial Corp	1,338.29
Various	11	Coca-Cola Co	569.36
Various	20	Comcast Corp New Cl A	1,066.61

**Securities Acquired - Purchases - Continued**

Date	Shares	Description	Cost
Various	1	Costco Wholesale Corp	341.81
Various	12	Eaton Corp Plc	1,626.17
Various	37	Equity Commonwealth	1,053.30
Various	5	Facebook Inc	1,442.78
Various	15	Fastenal Co	740.02
Various	4	Hershey Foods Corp	633.12
Various	2	Home Depot Inc	585.46
Various	5	Illinois Tool Works Inc	1,082.11
Various	15	Intel Corp	898.99
Various	2	International Business Machines Corp	262.08
Various	77	Invesco Plc	1,846.94
Various	9	Johnson & Johnson	1,479.70
Various	9	Jp Morgan Chase & Co	1,336.96
Various	2	Mastercard Inc Class A	737.26
Various	6	Medtronic Plc	727.11
Various	15	Merck & Co. New	1,165.78
Various	15	Microsoft Corp	3,595.62
Various	8	Mondelez International Inc	462.38
Various	170	New Residential Investment	1,736.12
Various	17	Nextera Energy Inc	1,309.10
Various	5	Nike Inc	674.73
Various	873	Nvidia Corp	0.00
Various	58	Occidental Petroleum Corp	1,438.55
Various	11	Omnicom Group	817.85
Various	12	Oracle Corp	830.87
Various	455	Organon And Co	0.00
Various	9	Paychex Inc	851.34
Various	2	Pepsico Inc	277.40
Various	21	Pfizer Inc	774.73
Various	5	Philip Morris International	446.20
Various	4	Procter & Gamble Co	531.33
Various	4	Qualcomm Inc	566.09
Various	7	Simon Property Group Inc	789.80
Various	5	Starbucks Coffee	540.03
Various	4	T Rowe Price Group Inc	687.75
Various	110	Targa Resources Corp.	3,574.33
Various	6	Texas Instruments	1,072.06
Various	5	Union Pacific Corp	1,064.21
Various	4	United Parcel Service -Class B	710.69
Various	5	Unitedhealth Group Inc	1,855.94
Various	12	Verizon Communications	684.75
Various	9	Visa Inc Cl A	1,954.71
Totals	2,354		\$ 61,213.13

**Stock Splits and Dividends**

Date	Description	Reason
06-07-21	Organon and Co	Spin-off
07-22-21	Nvidia Corp	Stock Split

**Securities Portfolio As of August 4, 2021**

NONE