

 BNY MELLON
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Morgan Stanley

To the Unitholders of: *Morgan Stanley Portfolios, Series 54 - Quality Dividend Strategy, Series 3*

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 calendar year ending December 31, 2022.

Income Account

Balance on January 1, 2022	\$	67.98
Income Received on Securities		1,031,758.02
Foreign Tax Withheld		(611.34)
Supplemental Deposit Income		86,607.74
Less:		
Trustee Fee and Fund Expenses	\$	50,088.73
Income Paid for Unit Redemptions		10,021.03
Distributions to Unitholders		946,055.65
Balance on December 31, 2022*	\$	111,656.99

Distributions From the Income Account

	Date	Rate per Unit	Total per Distribution
Monthly:	01-07-22	\$ 0.00352	\$ 2,175.72
	04-25-22	0.04972	224,051.84
	05-25-22	0.01341	59,552.17
	06-25-22	0.01965	85,378.74
	07-25-22	0.03224	139,418.59
	08-25-22	0.01450	62,654.28
	09-25-22	0.01866	80,541.80
	10-25-22	0.03571	152,703.28
	11-25-22	0.01482	62,158.53
	12-25-22	0.01848	77,420.70
Total		\$ 0.22071	\$ 946,055.65

Principal and Redemption Accounts

Balance on January 1, 2022	\$	1,267,307.03
Proceeds Received from Sale, Maturity, Liquidation or Redemption of Securities		4,504,892.46
Receipts from Supplemental Deposits		38,677,010.60
Less:		
Payments for Securities Acquired	\$	39,870,266.38
Proceeds Paid to Unitholders from the Redemption Account for Redemption of Units		3,651,261.21
Principal Distributions from Capital Account		0.00
Organizational Expenses		90,179.53
Deferred Sales Charge		680,365.10
Balance on December 31, 2022*	\$	157,137.87

Distributions From the Principal Account

NONE

Securities Removed From the Portfolio

Date	Shares	Description	Proceeds
Various	516	3M Co	\$ 70,594.80
Various	776	Abbott Laboratories	83,770.22
Various	212	Accenture Plc	61,002.16
Various	251	Advance Auto Parts Inc	47,842.87
Various	463	Agco Corp	55,308.30
Various	579	Agilent Technologies	72,406.10
Various	1,491	Alliant Energy Corp	85,563.66
Various	343	Alphabet Inc Class A	96,525.07
Various	738	Amdocs Ltd	60,069.42
Various	3,884	At&T Inc	73,858.65
Various	217	Automatic Data Processing Inc	48,337.04
Various	3,815	Bank Of America Corp	135,883.71
Various	1,239	Bristol Myers Squibb Co	92,020.06
Various	269	Broadridge Financial Solutions	38,816.19
Various	388	Capital One Financial	44,447.35
Various	2,276	Carnival Corp	29,098.33
Various	265	Caterpillar Inc	53,702.60
Various	566	Cbre Group Inc	44,130.95
Various	69	Charter Communications Inc-A	29,802.04
Various	275	Cigna Corp New	74,486.70
Various	2,244	Cisco Systems	105,664.89
Various	1,456	Conagra Brands Inc	50,790.00
Various	135	Costco Wholesale Corp	67,979.56
Various	1,704	Coterra Energy Inc	49,870.29
Various	651	D.R. Horton	46,814.91
Various	312	Digital Realty Trust Inc	38,663.79
Various	226	Dollar General Corp	53,557.84
Various	679	Dte Energy Co	84,326.29
Various	983	Emerson Electric Co	84,410.56
Various	912	Eog Resources Inc	111,968.71
Various	59	Equinix Inc	37,975.14
Various	173	Fleetcor Technologies Inc	37,498.39
Various	1,152	General Mills Inc	84,692.40
Various	934	Gilead Sciences Inc	59,929.46
Various	293	Global Payments Inc	35,392.66
Various	269	Goldman Sachs Group Inc	84,549.02
Various	408	Hubbell Inc	83,176.20
Various	253	Huntington Ingalls Industry	55,353.20
Various	282	Illinois Tool Works Inc	56,690.92
Various	1,745	Intel Corp	66,661.74
Various	885	Iron Mtn Inc New Com Npv	45,007.19
Various	2,351	Jbg Smith Properties	55,205.91
Various	1,103	Jp Morgan Chase & Co	134,437.54
Various	1,001	Kellogg Co	71,166.71
Various	5,496	Kinder Morgan Inc	99,824.95
Various	101	Lockheed Martin Corp	44,129.22
Various	576	Marsh & McLennan Cos Inc	91,637.57
Various	1,096	Merck & Co. New	98,625.77
Various	957	Metlife Inc	63,563.23
Various	218	Norfolk Southern Corp	52,783.72
Various	595	Northern Trust Corp	58,683.70

* *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.

Trustee reports for 2022, if applicable for your UIT, will not be distributed in paper form. Future reports will be posted to the Sponsor's website

(www.morganstanley.com/what-we-do/wealth-management/unit-investment-trusts). You may request a paper copy free of charge by contacting your Financial Advisor.

Securities Removed From the Portfolio - Continued

Date	Shares	Description	Proceeds
Various	148	Northrop Grumman Corp	69,590.42
Various	3,597	Old Republic International	82,365.91
Various	292	Perkinelmer Inc	41,653.34
Various	1,910	Pfizer Inc	92,741.18
Various	345	Pioneer Natural Resources Co	84,991.10
Various	892	Procter & Gamble Co	130,660.28
Various	514	Prudential Financial Inc	52,844.65
Various	666	State Street Corp	46,799.55
Various	320	Texas Instruments	52,947.16
Various	1,544	The Bank Of New York Mellon Corp	67,035.67
Various	1,509	U S Bancorp Com	71,588.62
Various	237	Union Pacific Corp	52,351.03
Various	331	Unitedhealth Group Inc	167,168.28
Various	866	Warner Bros Discovery Inc	13,574.79
Various	718	Wec Energy Group Inc	69,882.78
Totals	61,770		\$ 4,504,892.46

Securities Acquired - Purchases

Date	Shares	Description	Cost
Various	4,245	3M Co	\$ 701,074.69
Various	6,377	Abbott Laboratories	808,327.43
Various	1,763	Accenture Plc	616,044.43
Various	2,084	Advance Auto Parts Inc	470,839.96
Various	3,808	Agco Corp	466,094.44
Various	4,772	Agilent Technologies	672,732.67
Various	12,236	Alliant Energy Corp	729,975.33
Various	7,801	Alphabet Inc Class A	1,029,769.55
Various	6,058	Amdocs Ltd	466,810.43
Various	31,815	At&T Inc	788,305.89
Various	1,792	Automatic Data Processing Inc	388,955.43
Various	31,244	Bank Of America Corp	1,427,949.41
Various	10,161	Bristol Myers Squibb Co	663,617.74
Various	2,231	Broadridge Financial Solutions	351,943.32
Various	3,191	Capital One Financial	466,629.59
Various	18,653	Carnival Corp	377,647.79
Various	2,184	Caterpillar Inc	457,929.79
Various	4,657	Cbre Group Inc	464,454.60
Various	560	Charter Communications Inc-A	333,519.77
Various	2,275	Cigna Corp New	528,624.97
Various	18,388	Cisco Systems	1,048,628.49
Various	11,946	Conagra Brands Inc	409,907.86
Various	1,119	Costco Wholesale Corp	583,720.62
Various	13,976	Coterra Energy Inc	313,116.13
Various	5,341	D.R. Horton	481,652.30
Various	2,562	Digital Realty Trust Inc	384,590.70
Various	1,865	Dollar General Corp	401,779.12
Various	5,575	Dte Energy Co	672,341.50
Various	8,057	Emerson Electric Co	760,552.46
Various	7,487	Eog Resources Inc	807,387.59
Various	489	Equinix Inc	358,738.98
Various	1,440	Fleetcor Technologies Inc	337,569.13
Various	9,448	General Mills Inc	640,452.11
Various	7,664	Gilead Sciences Inc	508,907.61
Various	2,416	Global Payments Inc	341,967.52
Various	2,231	Goldman Sachs Group Inc	804,885.08
Various	3,353	Hubbell Inc	642,110.01
Various	2,099	Huntington Ingalls Industry	403,387.38
Various	2,333	Illinois Tool Works Inc	539,666.30
Various	14,314	Intel Corp	715,843.37
Various	7,268	Iron Mtn Inc New Com Npv	344,482.10
Various	19,263	Jbg Smith Properties	540,520.31
Various	9,053	Jp Morgan Chase & Co	1,360,561.61
Various	8,204	Kellogg Co	527,661.66
Various	45,010	Kinder Morgan Inc	782,847.41
Various	826	Lockheed Martin Corp	322,888.94
Various	4,744	Marsh & McLennan Cos Inc	751,439.99
Various	8,981	Merck & Co. New	713,577.28
Various	7,852	Metlife Inc	526,031.18
Various	1,807	Norfolk Southern Corp	501,816.22
Various	4,887	Northern Trust Corp	581,279.24

Securities Acquired - Purchases - Continued

Date	Shares	Description	Cost
Various	1,221	Northrop Grumman Corp	487,588.44
Various	29,461	Old Republic International	751,166.94
Various	2,416	Perkinelmer Inc	430,701.71
Various	15,642	Pfizer Inc	829,338.25
Various	2,842	Pioneer Natural Resources Co	616,784.78
Various	7,326	Procter & Gamble Co	1,162,507.49
Various	4,231	Prudential Financial Inc	477,567.34
Various	5,472	State Street Corp	513,667.53
Various	2,623	Texas Instruments	469,676.74
Various	12,645	The Bank Of New York Mellon Corp	735,675.81
Various	12,369	U S Bancorp Com	714,466.17
Various	1,953	Union Pacific Corp	487,410.93
Various	2,724	Unitedhealth Group Inc	1,307,926.61
Various	8,542	Warner Bros Discovery Inc	1,953.73
Various	5,897	Wec Energy Group Inc	562,276.48
Totals	513,269		\$ 39,870,266.38

Stock Splits and Dividends

Date	Description	Reason
04-11-22	Warner Bros Discovery Inc	Spin-off
07-18-22	Alphabet Inc Class A	Stock Split

Per Unit Value Based on the 12/31/22 Bid Evaluation

	Annually
Principal Value	\$ 9.00221
Income Value	0.02889
Total Value	\$ 9.03110

Securities Portfolio As of December 31, 2022

Shares	Description
4,239	3M Co
6,366	Abbott Laboratories
1,763	Accenture Plc
2,083	Advance Auto Parts Inc
3,802	Agco Corp
4,766	Agilent Technologies
12,213	Alliant Energy Corp
7,503	Alphabet Inc Class A
6,047	Amdocs Ltd
31,748	At&T Inc
1,790	Automatic Data Processing Inc
31,177	Bank Of America Corp
10,141	Bristol Myers Squibb Co
2,230	Broadridge Financial Solutions
3,186	Capital One Financial
18,615	Carnival Corp
2,181	Caterpillar Inc
4,650	Cbre Group Inc
559	Charter Communications Inc-A
2,273	Cigna Corp New
18,350	Cisco Systems
11,923	Conagra Brands Inc
1,118	Costco Wholesale Corp
13,949	Coterra Energy Inc
5,331	D.R. Horton
2,558	Digital Realty Trust Inc
1,863	Dollar General Corp
5,565	Dte Energy Co
8,041	Emerson Electric Co
7,474	Eog Resources Inc
489	Equinix Inc
1,440	Fleetcor Technologies Inc
9,429	General Mills Inc
7,650	Gilead Sciences Inc

Securities Portfolio As of December 31, 2022 - Continued

<i>Shares</i>	<i>Description</i>
2,413	Global Payments Inc
2,230	Goldman Sachs Group Inc
3,348	Hubbell Inc
2,098	Huntington Ingalls Industry
2,331	Illinois Tool Works Inc
14,286	Intel Corp
7,255	Iron Mtn Inc New Com Npv
19,223	Jbg Smith Properties
9,036	Jp Morgan Chase & Co
8,187	Kellogg Co
44,913	Kinder Morgan Inc
824	Lockheed Martin Corp
4,737	Marsh & McLennan Cos Inc
8,962	Merck & Co. New
7,837	Metlife Inc
1,806	Norfolk Southern Corp
4,879	Northern Trust Corp
1,220	Northrop Grumman Corp
29,398	Old Republic International
2,414	Perkinelmer Inc
15,609	Pfizer Inc
2,838	Pioneer Natural Resources Co
7,313	Procter & Gamble Co
4,225	Prudential Financial Inc
5,463	State Street Corp
2,618	Texas Instruments
12,618	The Bank Of New York Mellon Corp
12,344	U S Bancorp Com
1,950	Union Pacific Corp
2,720	Unitedhealth Group Inc
7,676	Warner Bros Discovery Inc
5,887	Wec Energy Group Inc
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511,170	
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4,183,212	Units Outstanding