



Morgan Stanley

Capex Captains

Morgan Stanley Thematic Baskets

PRODUCT OVERVIEW

- This Thematic Basket invests in companies that Morgan Stanley Wealth Management Global Investment Office (“MSWM GIO”) has identified as “Capex Captains,” which are companies that MSWM GIO believes may benefit during an anticipated period of increased capital expenditure (or “capex”)
- “Capex” refers to when businesses invest in infrastructure and technology to achieve long-term goals
- The Capex Captains portfolio represents the stocks listed in the recently published MSWM GIO report titled “AlphaCurrents: Capex Captains”
- To craft the AlphaCurrents report, MSWM GIO began with the thesis set out in the January 2023 report titled “The Next American Productivity Renaissance”. This report contends that the next business cycle will look different from those occurring since the financial crisis, as it may feature potentially transformative new economic drivers that, in turn, may support elevated levels of capex

PORTFOLIO SELECTION

- To identify the Capex Captains, MSWM GIO began with the companies within Morgan Stanley &Co. Research’s equity coverage universe whose shares are rated as either “Overweight” or “Equal-weight”
- From this initial list of approximately 200 companies, MSWM GIO narrowed the investable universe by applying a combination of qualitative and quantitative assessments
- First, MSWM GIO filtered the initial list by using the trends identified in The Next American Productivity Renaissance report to focus on five types of companies believed to have the potential to thrive in a period of increasing capex
- To further narrow the list, MSWM GIO then sought to emphasize large companies with the potential for growth, that also have an attractive valuation given their perceived competitive advantage

Unit Investment Trust Portfolio Information

Sponsor: Morgan Stanley Smith Barney LLC

Asset class: US. Equities

Initial date of deposit: 05/23/23

Termination date: 05/23/25

Securities: TBD

CUSIPs

Cash accounts: 61775E104

Fee accounts: 61775E112

Morgan Stanley Symbols

Cash accounts: MSCC1

Fee accounts: MSCC1F

NASDAQ ticker: MSCCAX

Sales Charge for Brokerage Accounts^{1,2,4}

Initial Sales Charge²: 0.00%

Deferred Sales Charge: 2.40%

Maximum Sales Charge: 2.40%

Sales Charge for Advisory Accounts^{3,4}

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 other fees and ongoing Operating Expenses. Please see the prospectus for more information regarding fees and expenses.

Five types of companies believed to have the potential to thrive in a period of increasing capex:



ENABLERS OF A NEW WORLD ORDER

With The Next American Productivity Renaissance report asserting that the world order has shifted to a group of competing blocs, this group of companies helps nations compete with one another or defend against attacks, and also includes companies that help fund governments and governmental entities.



ENABLERS OF DEGLOBALIZATION

These companies offer products and/ or services that address the potential effects of deglobalization, which have been caused by factors including, but not limited to, tariffs, rising protectionism, Covid-related supply-chain disruptions, and increasing economic sanctions policy.



ENABLERS OF ENERGY EFFICIENCY

These companies provide either traditional carbon-based energy products and/or services or products that facilitate the transition away from carbon-based fuel sources.



ENABLERS OF HUMAN CAPITAL EFFICIENCY

These companies help other companies get more out of labor or help upgrade an existing workforce.



FINANCING AND FUNDING FACILITATORS

These companies facilitate the financing of businesses that produce capex increasing products and/or services.

Why Now? According to MSWM GIO

“After 13 years of secular stagnation following the Great Financial Crisis of 2007 to 2008, COVID was a once-in-a-generation productivity shock, transforming the nature of work and accelerating structural changes demanding new capital investment.”

WHAT MAY POWER A CAPEX BOOM

MSWM GIO highlights five demand-side and four supply-side factors that may lead to a capex boost.

The five **demand-side** catalysts of greater capex include:

1. Digital disruption and reengineering of services businesses
2. A structurally tight labor market
3. Advancing deglobalization
4. Accelerating decarbonization and
5. Geopolitical adjustments leading to a new world order.

The four **supply-side** enablers include:

1. Healthy private-sector balance sheets
2. Improving workforce demographics
3. Commercialization of enterprise level innovation
4. The normalization of Federal Reserve policy.

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 24-month life. There is no guarantee it will achieve its objectives.

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.

Once this Trust becomes effective, investors should consider the investment objectives, risks, and charges and expenses carefully before investing. Contact your Financial Advisor to request a prospectus, which contains this and other information about the portfolio. Read it carefully before you invest.

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. 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

The portfolio is a UIT, which uses a buy and hold strategy that is designed to remain fixed over its 24-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 the 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 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.

Investors will pay the full amount of any organizational charge, and in brokerage, also the full amount of any sales charge, if the investor redeems their investment in a UIT prior to the termination date.

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.

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 are subject to an annual asset-based program fee of up to 2.00% and clients pay UIT organizational and other expenses. Clients should see the CGA/PM program disclosure brochure (available online at 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.