Morgan Stanley Mortgage Securities Trust

1. Issuer's name: Morgan Stanley Mortgage Securities Trust
2. Issuer's employer identification number (EIN): 13-3379179
3. Name of contact for additional information: Michael Condlin
4. Telephone No. of contact: 312-706-4706
5. Email address of contact: msiptax.req@morgstanley.com
6. Number and street (or P.O. box if mail is not delivered to street address) of contact: c/o Morgan Stanley Tax, 440 S. Lasalle Street, 39th Floor
7. City, town, or post office, state, and ZIP code of contact: Chicago, IL, 60605
8. Date of action: See Item 14 Below
9. Classification and description: COMMON STOCK DIVIDENDS
10. CUSIP number: 618962304
11. Serial number(s): N/A
12. Ticker symbol: MTGCX
13. Account number(s): N/A

Part II Organizational Action

14. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action: The Issuer paid monthly distributions to common stock shareholders during fiscal year-end October 31, 2017.

All or part of such distributions constitute a non-taxable return of capital.

15. Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis: The quantitative effect of the distributions reported as a return of capital on a per share basis are set forth in the table below:

<table>
<thead>
<tr>
<th>Record Date</th>
<th>Payment Date</th>
<th>Distribution Per Share</th>
<th>Return of Capital</th>
<th>Record Date</th>
<th>Payment Date</th>
<th>Distribution Per Share</th>
<th>Return of Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/27/2017</td>
<td>01/27/2017</td>
<td>0.02171518</td>
<td>0.00217106</td>
<td>09/27/2017</td>
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<td>0.02101296</td>
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<td>02/24/2017</td>
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<td>0.02451595</td>
<td>0.00276822</td>
<td>10/27/2017</td>
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<td>0.02046889</td>
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<tr>
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</tr>
</tbody>
</table>

16. Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates: Issuer's current and accumulated earnings were compared to distributions paid during the fiscal year ended October 31, 2017. The non-taxable return of capital represents the amount of distributions paid during the taxable fiscal year ended October 31, 2017 in excess of Issuer's current and accumulated earnings and profits under IRC Section 316.
Part II  Organizational Action (continued)

17  List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based:  
Internal Revenue Code  
Section 301(c)(2) and Section 316

18  Can any resulting loss be recognized?  ▶  Not applicable.

19  Provide any other information necessary to implement the adjustment, such as the reportable tax year:  The reportable year is fiscal year ending October 31, 2017

Sign Here

Date → 8/13/18

Print your name  ▶  Michael Conklin  
Preparer's name  
Preparer's signature  
Check  □  if self-employed

Firm's name  
Firm's address  
Firm's EIN  
Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054