

Morgan Stanley

INVESTMENT MANAGEMENT

Impact

CULTURE DIVERSITY EQUITY INCLUSION

“

Diverse perspectives drive all that we do. They enhance our workplace culture and allow us to better understand our clients so we can help them achieve their long-term goals. At Morgan Stanley, we strive to create a sense of belonging for our employees that facilitates greater collaboration within the firm and enables us to provide added value to our clients.



DAN SIMKOWITZ
Head of Investment Management

OUR CULTURE

Morgan Stanley culture is based on five core values: doing the right thing, putting clients first, leading with exceptional ideas, commitment to diversity and inclusion, and giving back. At Morgan Stanley Investment Management (MSIM), the diverse perspectives of employees and clients are key drivers of shared success. By championing an inclusive environment where everyone has a sense of belonging, we continue to drive innovation, thought leadership and investment excellence to help meet the ever-evolving needs of our clients.

Morgan Stanley launches Next Level fund to invest with **women** and **multicultural** entrepreneurs

The Times' UK **Top 50** Employers for Women 2021



2021 winner of the Irish Pensions Awards'



"Diversity Award"

Morgan Stanley Japan receives **Gold rating** in the 2021 PRIDE Index

Human Rights Campaign's "Best Place to Work for **LGBTQ+ Equality**"

Latina Style's **50 Best Companies** for Latinas to Work for in the U.S.

Future Generation Scholarship program launched in the UK to attract student talent from **ethnic-minority** and **socially mobile** backgrounds

Founding signatory of **ILPA's Diversity in Action Initiative**



OUR COMMITMENT

TO DIVERSITY, EQUITY AND INCLUSION

Morgan Stanley's ability to build value for our clients stems from the talent of our employees, who bring the benefits of their diverse experiences and perspectives to their work. We firmly believe that our business thrives by promoting a culture of inclusion and belonging where dedicated professionals collaborate to produce breakthrough thinking.

In 2020, Morgan Stanley launched its **Institute of Inclusion**, chaired by Morgan Stanley's Chairman and CEO James Gorman. The Institute's mandate is to catalyze and accelerate **an integrated and transparent diversity, equity and inclusion strategy** to deliver the full potential of Morgan Stanley and drive meaningful change within our firm and beyond.

Morgan Stanley's diversity and inclusion strategy focuses on our workforce, the marketplace and societal advancement, and is designed to **drive intentional and sustainable change** firmwide. The firm values diverse backgrounds, talents, perspectives and cultural identities, knowing that the diversity of our workforce is **key to our competitive advantage** and success.

Morgan Stanley's diversity initiatives are championed by Chairman and CEO James P. Gorman and led by the firm's Global Head of Diversity and Inclusion, Susan Reid. Currently, our **diversity and inclusion team of more than 40 specialists** spans the globe and spearheads firmwide efforts and advisory services, as well as supporting firm divisions in their unique needs and goals.

“

Focusing on educational attainment, the racial wealth gap, and health and wellness, we are driving greater access to education and social mobility through meaningful investments and community impact.



SUSAN REID

Managing Director, Global Head of Diversity and Inclusion, and Morgan Stanley Management Committee Member

MSIM DIVERSITY COUNCIL

The MSIM Diversity Council comprises senior executives from across the entire division. 2022 saw the addition of numerous new council members related to the ongoing integration of Eaton Vance.

The Council is committed to leading the business's diversity, equity and inclusion efforts and championing a culture of inclusion globally. It focuses on increasing awareness around programs and opportunities, enhancing the division's culture, nurturing talent and developing adequate tools to achieve the desired outcomes.

Focused Support From Senior Leaders

Ted Eliopoulos and Seema Hingorani are members of the MSIM Operating Committee and serve as senior sponsors to the Diversity Council. Both bring their extensive experience and expertise from previous roles, including serving as CIOs of large U.S. public retirement systems.



TED ELIOPOULOS

Managing Director, Vice Chairman, Head of Strategic Partnerships and Member of the Investment Management Operating Committee



SEEMA HINGORANI

Managing Director, Strategic Client and Talent Engagement Lead, Member of the Investment Management Operating Committee and Chair of the Senior Advisory Board of Morgan Stanley Infrastructure Partners

Diversity Council Co-Chairs:

“

There is nothing more powerful than feeling like you belong. You can't be your best if you don't feel seen, heard, and respected. This is the very essence of diversity, equity and inclusion, and our unwavering commitment at MSIM.



MICHI DIAZ
MCDONOUGH CFA, CAIA

Managing Director, Parametric's Head of Client and Consultant Relations Offshore Sales

“

Growing up in Latin America, I've always believed in the importance of diversity. We are committed to our diversity, equity and inclusion strategy. We are focused on continuing to strengthen the culture of our firm and drive positive impact both internally and externally.



CARLOS ANDRADE

Managing Director, Head of Latin America and U.S. Offshore Sales

INNOVATIVE APPROACHES TO HIRING DIVERSE TALENT

Morgan Stanley and MSIM participate in and sponsor programs around the world with the goal of recruiting and hiring diverse talent. These programs include:

- 100 Black Interns
- ALPFA
- Black Women in Asset Management
- CHIEF
- Classroom to Boardroom
- CUP
- Girls Who Code
- Girls Who Invest
- Greenwood Project
- Investment20/20
- MBA and Undergraduate Jumpstart
- Morgan Stanley HBCU Scholars Program
- Poise
- Return to Work
- Richard B. Fisher Scholarship Program
- Sponsors for Educational Opportunity
- The Diversity Project
- Toigo Foundation
- UK HM Treasury Women in Finance and Race at Work Charters
- Women in Banking and Finance
- Women in Finance Asia
- Year Up



In 2021, **40%** of our experienced hires globally were **women**, and in the U.S., **47%** were **ethnically diverse**



THE RISING INVESTORS PROGRAM (TRIP)

As a leading global asset manager, one of our key goals is to encourage dialogue and connectivity across our global investment teams and create year-round opportunities for professional growth for our diverse junior investment talent.

TRIP launched in 2021 and has grown to a community of approximately 260 investment professionals with up to six years of experience. It provides our rising investors with exposure to a wide range of investment philosophies and innovative ideas. The goal is to broaden the individual's perspectives, enhance their creativity and build meaningful relationships with peers across the firm. Retention of diverse investment talent is an ongoing commitment, and we believe that this innovative program will help strengthen our organization.

<p>Community</p>  <p>A program geared towards facilitating organic communication across asset classes, geographies and levels of experience.</p>	<p>Speaker Series</p>  <p>Features diverse internal and external thought leaders and subject matter experts from a variety of industries.</p>
<p>Professional Development</p>  <p>Targeted professional development to provide relevant skills training and growth opportunities.</p>	<p>Team-Based Projects</p>  <p>Diverse teams with representation across public and private markets globally collaborate on projects and present investment ideas/insights to program participants and key leaders.</p>

Investing in junior talent will result in heightened levels of:

- **PRODUCTIVITY:** Targeted professional development will increase the effectiveness of junior population
- **CREATIVITY:** Interactive forums drive innovation and facilitate the exchange of ideas
- **CONNECTIVITY:** Creating community across investment teams furthers our "One MSIM" culture
- **LOYALTY:** Providing year-round professional development opportunities for our diverse junior talent drives retention
- **COLLABORATION:** Increased communication across asset classes, geographies and seniority levels drives greater alpha generation for our client portfolios

Objectives and Scope

14
Countries

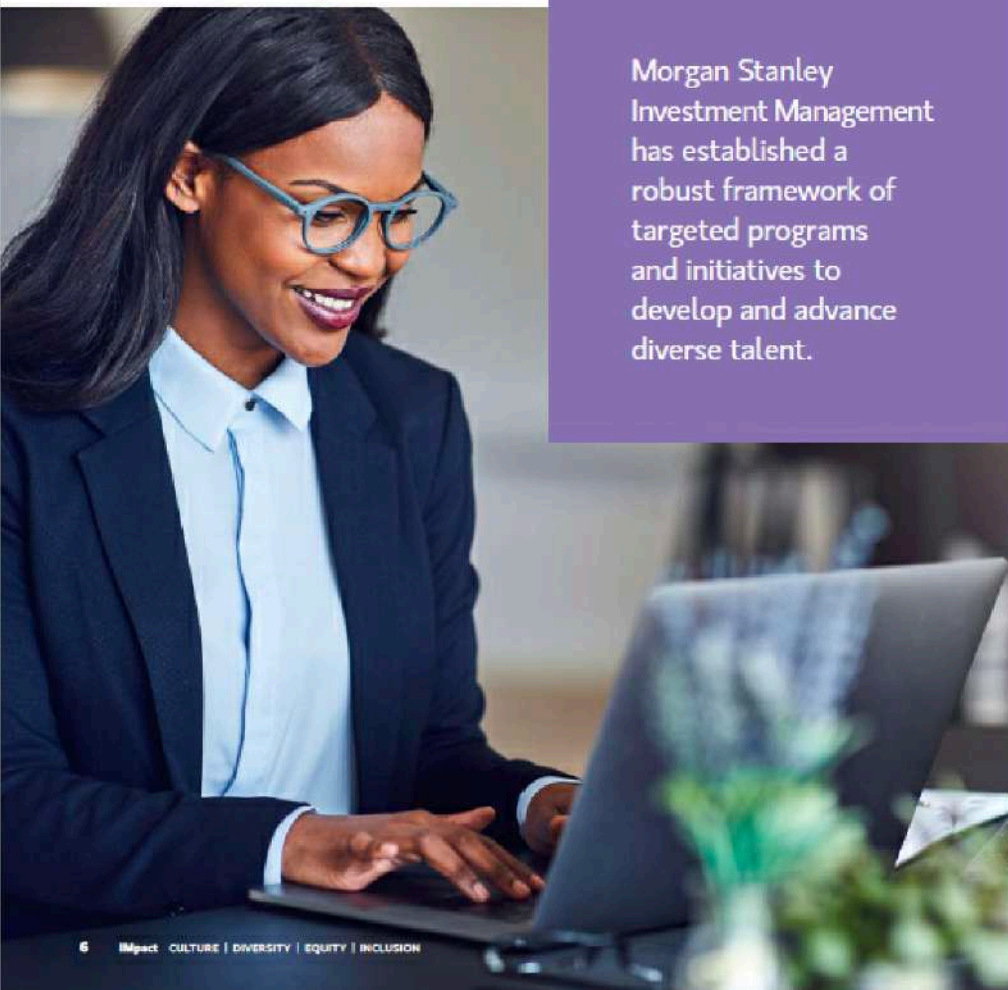


34
Investment
Teams

66%
U.S.
Based



DEVELOPING AND ADVANCING DIVERSE TALENT



Morgan Stanley Investment Management has established a robust framework of targeted programs and initiatives to develop and advance diverse talent.

CHIEF

CHIEF is a private network designed to **help women** strengthen their leadership and **magnify their influence**, providing development opportunities, access to diverse networks and recognition as top talent. The organization has more than **10,000 members**, 42% of whom are C-Suite employees at their firms, and 34% of whom identify as members of an underrepresented group, race or ethnicity. Nathalie Lubin and Angie Salam, inaugural MSIM CHIEF members, recently discussed their experience with the organization.

“

I am very appreciative of the opportunity to join the CHIEF network. The mentorship and sense of community that are available to all members have been really rewarding, and the ability to connect with women nationwide and across industries has helped my career and professional development. From impromptu meetups at the NYC CHIEF headquarters, to hearing from great leaders like Michelle Obama, Ursula Burns and others, the organization truly inspires me to be my best self and help others earlier in their careers.



NATHALIE LUBIN
MSIM CHIEF Member

The biggest thing that has resonated with me in the past year as a member of CHIEF is the community cultivation among members. From my executive coached core group that meets monthly to the women I've met at the CHIEF clubhouse and through virtual networking, everyone puts their best foot forward and genuinely engages and helps one another. There is a clear distinction between CHIEF and other professional networks and networking events I've experienced, and I believe this is why CHIEF is so sought after.



ANGIE SALAM
MSIM CHIEF Member

CREATING AN ENVIRONMENT OF INCLUSION

Our networks empower employees to connect, share their distinct experiences, learn and develop professionally, support each other, and give back to their communities through philanthropic and volunteer efforts. Equally important, feedback from network members helps the firm better understand the needs of our diverse employees and shape our diversity strategy and programs.

Our Women's Business Alliance recently launched a new program, The Emerging Women Leaders Network. This initiative connects and empowers early- to mid-career women to support each other's professional and personal development.

The network aims to bring together employees to create a cross-cultural and cross-divisional community in which information and insights can be shared, and organic networks can be formed.

OUR DIVERSITY AND INCLUSION EMPLOYEE NETWORKS

GLOBAL

- disABILITY Employee Network
- Employee Sustainability Forum
- Family Network
- Pride and Ally LGBT+ Employee Network
- Women's Business Alliance

AMERICAS

- Asian Employee Network
- Black Employee Network
- Latinx Employee Network
- Mosaic
- Veterans Employee Network

ASIA PACIFIC AND JAPAN

- Multicultural Alliance

EMEA

- African and Caribbean Business Alliance
- EMEA Military Network
- Glasgow Cultural Awareness Network
- Net East Asia
- Net South Asia
- Net-Éire

THE DIVERSITY CHAMPIONS INITIATIVE

This past spring, the MSIM Diversity Council, and Diversity and Inclusion team launched the Diversity Champions Initiative. The initiative assembles employees from across the globe to support the Council in executing its diversity and inclusion initiatives.

Forty individuals were nominated by the Council, given their previous efforts and commitments to creating an inclusive firm culture.

The champions will assist the Council on a number of projects, including the recruitment, retention and promotion of diverse talent, the development of investment solutions incorporating a diversity, equity and inclusion (DEI) investment process, as well as the Council's communication.

To strategically support the Diversity Council, we created **four subcommittee workstreams** aligned to the MSIM DEI strategy. They are: **Advancement and Culture, Representation and Recruitment, Commercial Outreach and Communications, and DEI and Investments.**

Diversity champions are encouraged to share their original thoughts and ideas with the Council to maintain momentum around DEI across MSIM.

“

This is an important next step in continuing to create an inclusive culture where all talents thrive. By bringing together those incredibly thoughtful and talented individuals, we hope to further the DEI mission of the Council and the firm.



CARLOS ANDRADE
Managing Director, Co-Lead of the Diversity Council

“

As a champion, it is my goal to help the firm take the next step in making palpable, thoughtful and durable changes. Increasing diversity isn't about creating headcount for show but about encouraging new perspectives, new conversations with clients and prospects, and being representative of the many unique and beautiful communities around us.



SIZWE KAMARA
Vice President, Regional Sales Director

“

My mission is to drive accountability, not content creation for the sake of it. We can make a tangible impact and being intentional about the initiatives we begin here at MSIM will help us make positive changes.



VICTORIA LI, CFA
Executive Director

IN THE COMMUNITY

Morgan Stanley is committed to making an impact in the communities where we live and work by giving our time, money and expertise. Steeped in the firm's core values of giving back and our commitment to diversity and inclusion, our philanthropic efforts support underserved communities through long-lasting partnerships, community engagement and employee volunteering. The firm, its foundations and employees together provided more than \$154 million to nonprofits in 2021.

“

I serve on the board of directors for the Robert Toigo Foundation. Toigo aims to build stronger, more diverse organizations through the inclusion and advancement of underrepresented talent in the finance industry. I believe that diversity of thought and experience is integral to the success of our business. We aim to provide underrepresented talent with the resources, knowledge and opportunities to join firms like Morgan Stanley. The benefits will be felt not only by those talented individuals but also by our respective businesses. This joint effort leads to more holistic and robust decision-making across the industry.

TED ELIOPOULOS

Managing Director, Vice Chairman, Head of Strategic Partnerships, Member of the Investment Management Operating Committee and Senior Sponsor of the Diversity Council at MSIM



Philanthropy Highlights

In partnership with the Morgan Stanley Institute for Inclusion, the Morgan Stanley Foundation committed **\$20mm** over the next five years to help address systemic inequities in education and career outcomes for young adults from low- to moderate-income backgrounds with a focus on ethnically diverse students

8mm children, families and educators reached by the Morgan Stanley Alliance for Children's Mental Health



Delivered **10,000+** pro bono hours for 11 charities in the U.S. and UK Strategy Challenge

Over **\$51mm**  meals donated to families through food banks across the Feeding America network

Over **\$2mm** in support provided to hundreds of nonprofit organizations where more than **14,000** employees are dedicated volunteers or governing board members

The Morgan Stanley Foundation and International Foundation granted nearly **\$8.5mm**  to children's health charities



IN THE COMMUNITY: GIVING BACK

The Morgan Stanley Foundation embodies the firm's core value of Giving Back by identifying real needs in our communities and applying a long-term, innovative approach to address those needs.

The Foundation has a specific focus on children's health and actively employs a diversity, equity and inclusion lens across our programs to ensure we are creating appropriate and meaningful impact. Alongside key partners such as nonprofits including **Feeding America**, **Grow Clinics** and **KABOOM!**, the Foundation engages our employees to donate time, skills and money to better our communities.

Its latest initiative is the **Morgan Stanley Alliance for Children's Mental Health**, which funds critical research on children's mental health, drives thought leadership, and grows programs in schools, hospitals and physicians' offices. These programs have reached 11 million students, families and educators globally since February 2020. In April 2021, the Alliance launched the inaugural Innovation Awards to identify and fund mental health care solutions for children and young adults across the U.S. This program specifically addresses the lack of both private and public investment in children's mental health, particularly for underserved communities, and

effective ways to connect innovative ideas with financial support.

In Europe, the Morgan Stanley International Foundation supports charities focused on children's welfare.

- In 2021, the Budapest office selected **Salva Vita** to help find work opportunities for disabled young people, fund supported living and reduce the stigma of disability in Hungary.
- Glasgow employees chose **Children's Hospices Across Scotland**, better known as CHAS, to fund an inclusive, personalized support service, which can be accessed across the country, ensuring bereaved brothers and sisters are given the best chance in life.
- The Frankfurt office nominated **Kinderschutzbund Frankfurt**. Our support will help establish a family house where families with young children who are in need of help will be provided with clothing, baby equipment and supplies, as well as a place to talk about their situation.
- The London office choose to fund **The Felix Project's** new East London operation for the next five years, rescuing and distributing 75 million meals to hundreds of charities, schools and community groups in East London where deprivation is among the highest of any urban area in Europe.



EMPLOYEE VOLUNTEERING

Morgan Stanley employees volunteer their time and skills to make a difference in the communities where we live and work. The firm hosts Global Volunteer Month each June, and Morgan Stanley employees have volunteered nearly 2.6 million hours through the campaign since its inception in 2006—and that doesn't include the many ways we volunteer year-round.

Another program is our signature Strategy Challenge pro bono initiative where employees embark on a 10-week consulting project with nonprofit organizations to help them address a key strategic question that is central to their mission. Since the program's inception in 2009, employees have contributed more than 131,000 service hours, valued more than \$25 million, to 170 nonprofits in the U.S. and the UK.

MSIM PHILANTHROPY COMMITTEES

MSIM has regional philanthropy committees that guide and support the efforts of employees to give back. MSIM partners with various nonprofit organizations in support of their activities in the community. A few examples include:

Greenwood Project

Greenwood Project seeks to support diverse, underserved students while working closely with partner companies in financial services to enhance their



diversity, equity and inclusion efforts. MSIM has been supporting the organization since 2019, with Erika Kingetsu, Managing Director and Head of International Equity Sales, and Suzue Kamara, Vice President and Regional Sales Director, both sitting on Greenwood Project's Board of Directors. The firm has hosted a number of interns since partnering with Greenwood Project and is excited to see the relationship grow.

Black Women in Asset Management (BWAM)

BWAM is a professional network

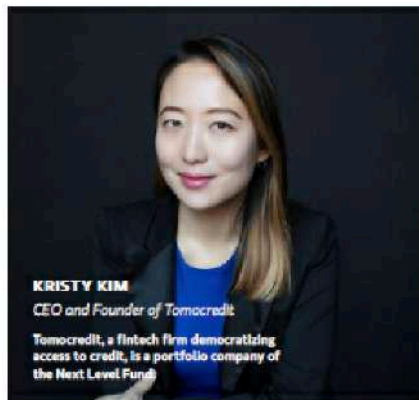
founded in 2019 in the UK that is focused on advancing and retaining Black, female professionals in the asset management industry. It comprises about 700 experienced professionals, mostly based in the UK, with others across Europe and the U.S. The network hosts various events aimed at attracting and retaining professionals in the industry and supporting their professional development. MSIM first became a corporate member in 2021. Ibi Idemudia, International Legal COO, sits on BWAM's Advisory Council and serves as a mentor on their Accelerator Program.

Some Morgan Stanley and MSIM Partners

- A Better Chance (U.S.)
- Feeding America (U.S.)
- Salva Vita (Hungary)
- Little Olive Child Foundation (Japan)
- Mind HK (Hong Kong)
- Mirai no Mori (Japan)
- New York Needs You (U.S.)
- PathFinders (Hong Kong)
- Children's Hospices Across Scotland (UK)
- The Felix Project (UK)
- Kinderschutzbund Frankfurt (Germany)
- Teach For America (U.S.)
- World Pride/Stonewall 50 (Global)



IN THE COMMUNITY: MORGAN STANLEY NEXT LEVEL



KRISTY KIM
CEO and Founder of Tomocredit

Tomocredit, a fintech firm democratizing access to credit, is a portfolio company of the Next Level Fund.

To help close the funding gap for multicultural and women-owned businesses, Morgan Stanley Investment Management and the Morgan Stanley Multicultural Client Strategy Group have launched a fund to invest in startups led by diverse entrepreneurs.

The Morgan Stanley Next Level Fund, L.P. ("Next Level" or the "Fund"), part of MSIM's Private Credit and Equity platform, invests primarily in early-stage technology and technology-enabled companies with women or diverse members as part of the founding team from target sectors, including technology, consumer/retail, financial technology, health care, and media and entertainment.

This launch highlights opportunities with underrepresented business leaders, often targeting underserved markets and communities, and aims to help meet growing investor demand for impactful market solutions to address social justice, gender equality and racial equity. Investors in the strategy include the key inaugural corporate partners: Hearst,

Microsoft and Walmart. This new strategy will build upon the expertise of the Morgan Stanley Multicultural Innovation Lab and Morgan Stanley's in-house startup accelerator, which promotes financial inclusion by providing founders of diverse tech and tech-enabled startups with access to investors, tools, resources and connections that they need to thrive.

"We are pleased to expand our impact-oriented client offerings with the addition of Next Level, and we are proud to partner with like-minded companies that share our commitment to delivering positive social impact through compelling investment opportunities," said David N. Miller, head of Private Credit and Equity at Morgan Stanley Investment Management. "Our differentiated approach can help increase access to capital for women and diverse founders in our target sectors."

Investors have historically hesitated to prioritize investing in diverse startups, despite acknowledging the opportunity they could be missing. In fact, 60% of venture capitalists surveyed by Morgan Stanley say that their portfolios hold too few companies founded by women and multicultural entrepreneurs, while investors in another survey reported capitalizing on diverse businesses by as much as 80% less than traditional companies overall.

“

This is an exciting initiative which advances our goal to promote financial inclusion and access to capital for women and diverse founders.



ALICE VILMA
Managing Director, Co-Portfolio
Manager, Morgan Stanley
Next Level Fund

ENGAGEMENTS AND ACCOLADES

PARTNERSHIPS

Morgan Stanley Investment Management recently joined the following organizations to help drive the diversity, equity and inclusion agenda in the financial industry globally.

30% Club's UK Investor Group, a global campaign that seeks to increase gender diversity at board and executive-committee levels. As part of the Investor Group, MSIM will seek to drive DEI changes within companies we invest in.

FemPeak, a membership platform with the goal of overcoming barriers for women in their professional growth by providing access to global leaders and helping them to stay ahead of the curve in the fast-paced world of business.

The **Association of Asian American Investment Managers (AAAIM)**, a nonprofit organization dedicated to increasing diversity and inclusion in the investment management industry, which serves as a powerful voice for the Asian American and Pacific Islander community.

Morgan Stanley Investment Management is a proud founding signatory of **Institutional Limited Partners Association (ILPA)'s Diversity in Action Initiative**, which helps limited partners and general partners take action to advance diversity, equity and inclusion in the private equity industry.



RECOGNITIONS

WINNER OF THE 2021 DIVERSITY AWARD (IRISH PENSIONS AWARDS)

The award recognizes the provider that has shown a true understanding of the importance of diversity in today's climate and strives to maintain the highest standards of excellence.



Perfect score on the Human Rights Campaign Corporate Equality Index for the 16th consecutive year

Gold rating (highest) in the 2021 PRIDE Index conducted by Work with Pride in Japan

JobsForHer's Top 5 Company for DiVHERsity and Most Innovative Practices in India

Named one of the 50 Best Companies to Work for in the U.S. by Latina Style

Morgan Stanley received a host of recognitions by Saramount:

- Top Wealth Advisor Moms, 93 spots
- Working Mother Best 100 Companies
- Best Company for Multicultural Women
- Best Companies for Women in India

IMPORTANT INFORMATION

The views and opinions are those of the author as of the date of publication and are subject to change at any time due to market or economic conditions and may not necessarily come to pass. Furthermore, the views will not be updated or otherwise revised to reflect information that subsequently becomes available or circumstances existing, or changes occurring, after the date of publication. The views expressed do not reflect the opinions of all investment teams at Morgan Stanley Investment Management (MSIM) or the views of the firm as a whole, and may not be reflected in all the strategies and products that the firm offers.

This document may be translated into other languages. Where such a translation is made, this English version remains definitive. If there are any discrepancies between the English version and any version of this document in another language, the English version shall prevail.

The whole or any part of this work may not be reproduced, copied or transmitted or any of its contents disclosed to third parties without MSIM's express written consent. All information contained herein is proprietary and is protected under copyright law.

Morgan Stanley Investment Management is the asset management division of Morgan Stanley.

“

I am proud of the progress Morgan Stanley has made across our diversity, climate and sustainability efforts over the past year. These reports highlight our progress while maintaining accountability for our future commitments. While we still have more work to do, I look forward to the journey ahead and to continuing to work with all of you.



JAMES P. GORMAN
Chairman and Chief Executive Officer

Explore our site at
www.morganstanley.com/im