# Table of Contents

<table>
<thead>
<tr>
<th>Page</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Letter from Our Chairman and CEO</td>
</tr>
<tr>
<td>4</td>
<td>About Morgan Stanley</td>
</tr>
<tr>
<td>7</td>
<td>An Introduction from Our Global Head of Diversity and Inclusion</td>
</tr>
<tr>
<td>9</td>
<td>Accountability: Driving Diversity and Inclusion Firmwide</td>
</tr>
<tr>
<td>11</td>
<td>Representation: Building a Diverse Workforce</td>
</tr>
<tr>
<td>18</td>
<td>Advancement: Developing and Supporting Diverse Talent</td>
</tr>
<tr>
<td>23</td>
<td>Culture: Inclusion and Belonging at Morgan Stanley</td>
</tr>
<tr>
<td>29</td>
<td>Outreach: Fostering Diversity and Inclusion Externally</td>
</tr>
<tr>
<td>35</td>
<td>Focus on the Future</td>
</tr>
<tr>
<td>37</td>
<td>U.S. EEO-1 Data</td>
</tr>
<tr>
<td>38</td>
<td>Strategic Partners</td>
</tr>
<tr>
<td>39</td>
<td>2019 Awards and Recognition</td>
</tr>
<tr>
<td>18</td>
<td>Accountant: Developing and Supporting Diverse Talent</td>
</tr>
<tr>
<td>23</td>
<td>Culture: Inclusion and Belonging at Morgan Stanley</td>
</tr>
<tr>
<td>29</td>
<td>Outreach: Fostering Diversity and Inclusion Externally</td>
</tr>
<tr>
<td>35</td>
<td>Focus on the Future</td>
</tr>
<tr>
<td>37</td>
<td>U.S. EEO-1 Data</td>
</tr>
<tr>
<td>38</td>
<td>Strategic Partners</td>
</tr>
<tr>
<td>39</td>
<td>2019 Awards and Recognition</td>
</tr>
<tr>
<td>18</td>
<td>Accountant: Developing and Supporting Diverse Talent</td>
</tr>
<tr>
<td>23</td>
<td>Culture: Inclusion and Belonging at Morgan Stanley</td>
</tr>
<tr>
<td>29</td>
<td>Outreach: Fostering Diversity and Inclusion Externally</td>
</tr>
<tr>
<td>35</td>
<td>Focus on the Future</td>
</tr>
<tr>
<td>37</td>
<td>U.S. EEO-1 Data</td>
</tr>
<tr>
<td>38</td>
<td>Strategic Partners</td>
</tr>
<tr>
<td>39</td>
<td>2019 Awards and Recognition</td>
</tr>
</tbody>
</table>
I am proud of the advancements we have made, but it is clear that we have much more to do.

Diversity and inclusion has always been an area of focus for our Firm. We understand the importance of explicit support and purposeful participation that is required in order to effectively make much needed structural change. This summer, recent events highlighted the unresolved racial injustice that has existed in our society for a very long time. Racism, and the fear and inequities it engenders, is unacceptable and must be addressed on a global scale.

At Morgan Stanley, we want to be part of the solution. This inaugural report reflects our commitment to transparency and accountability as we take one of many intentional steps toward progress. While statements of support are critical, so too are the actions to drive change. As such, this year we did the following:

- In June, I announced the addition of a new core value, Commit to Diversity and Inclusion, to make explicit our commitment to cultivating and supporting a diverse workforce and a culture of belonging across the Firm.
- We also announced the creation of the Morgan Stanley Institute for Inclusion. Modeled after our successful Institute of Sustainable Investing, it will be responsible for setting policy, putting in place metrics, and overseeing the mentoring and development of our diverse employees.
- Additionally, we realize Morgan Stanley has a responsibility to help address social injustice beyond the four walls of our offices. We therefore made a decision to support a number of external organizations driving racial equity, including the NAACP Legal Defense and Education Fund, Carver Bank, and three top Historically Black Colleges and Universities, with donations totaling more than $30 million. And we intend to continue to do our part to help drive change.

True diversity is achieved when a company’s employee base represents the society in which it lives. I am proud of the advancements we have made, but it is clear that we have much more to do to improve representation, equity and inclusion across our Firm and our community. I, along with Morgan Stanley’s leadership, thank you for your interest in this report and in our progress on this journey.

JAMES P. GORMAN
Chairman and Chief Executive Officer
About Morgan Stanley

Morgan Stanley is a global financial services firm with more than 60,000 employees in 38 countries. This year, we are proud to celebrate 85 years of providing exceptional service to clients.

Through our core businesses, Institutional Securities, Wealth Management and Investment Management, we help individuals, families, institutions and governments raise, manage and distribute the capital they need to achieve their goals. It has been, and continues to be, our goal to serve clients leveraging the talents of our employees around the world.

Core Values

Our core values guide everything we do:

- Do the Right Thing
- Put Clients First
- Lead with Exceptional Ideas
- Commit to Diversity and Inclusion
- Give Back
Leadership, including our Board of Directors, sets the tone for the Firm, and our executive teams drive a culture that is central to how we serve clients, how we support and develop colleagues, and how we engage with the communities around us.

Our Three Business Segments

**INSTITUTIONAL SECURITIES**
Provides investment banking, sales and trading, lending and other services to corporations, governments, financial institutions and high to ultra-high net worth clients.

**WEALTH MANAGEMENT**
Provides a comprehensive array of financial services and solutions to individual investors and small to medium-sized businesses and institutions. These offerings cover brokerage and investment advisory services; financial and wealth planning services; stock plan administration services; annuity and insurance products; cash management and lending solutions; and retirement plan services.

**INVESTMENT MANAGEMENT**
Provides a broad range of investment strategies and products that span geographies, asset classes and public and private markets to a diverse group of clients across institutional and intermediary channels. Strategies and products, which are offered through a variety of investment vehicles, include equity, fixed income, liquidity and alternative/other products.
Our Global Footprint

AMERICAS
71%
42,500 Employees

EMEA
13%
7,900 Employees

ASIA-PACIFIC AND JAPAN
16%
9,900 Employees

Key Workforce Highlights

39% of our global employees are women
26% of our officers² globally are women
29% of our U.S. employees are ethnically diverse³
23% of our U.S. officers are ethnically diverse²³

Gender by Region (% Women)

39% Americas
36% Europe, Middle East and Africa
41% Asia-Pacific and Japan

¹ All data year-end 2019
² Officers includes Managing Directors, Executive Directors and Vice Presidents
³ U.S. ethnically diverse includes American Indian or Native Alaskan, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or Pacific Islander, and Two or More Races
An Introduction
From Our Global Head of Diversity and Inclusion

We are pleased to provide an overview of the diversity and inclusion efforts at Morgan Stanley in this inaugural annual report. In it we describe our strategy, priorities and goals, the composition of our workforce, progress we have made and areas that require ongoing attention.

As we issue this report, the urgency to accelerate change has never been more pressing. With the United States experiencing an unprecedented and necessary confrontation with its history of racial injustice, and the disproportionate impact of COVID-19 on diverse communities, the events of this year have spotlighted the inequalities the world is witnessing more clearly. Drawing on our core values, and the belief that Morgan Stanley’s actions can benefit all of society, we have committed to facing these challenges through innovative thinking, focused action, and targeted investment in our employees and the communities in which we work and live.

Central to our strategy is building a diverse workforce that recognizes and reflects the demographics, needs, values and cultures of our employees, shareholders, clients and the global communities where we operate. We have sharpened our focus by helping our leaders build and implement strategies aligned to our ambition. We have also invested in programs and initiatives that address the needs of underrepresented groups. Lastly, we have amplified those efforts through philanthropy and volunteerism.

Throughout this report, we provide insight into the initiatives we have implemented to become a more diverse and inclusive organization. We also look toward the future, sharing the actions we will take to continue building a culture where employees from diverse backgrounds have the opportunity to reach their full potential. Reflecting on our journey, we are proud of the progress we have made, but remain committed to doing better and to making Morgan Stanley a place where all can thrive.

SUSAN K. REID
Global Head of Diversity and Inclusion
Our Strategy

Morgan Stanley’s diversity and inclusion strategy has been designed to drive meaningful change Firmwide and help us achieve our ambition of a truly diverse and inclusive workforce. It informs the way we engage with and support our employees, as well as how we serve our clients and investors, and the diverse countries and communities in which we operate and live.

Four key pillars are the foundation of our strategy, grounding our efforts to create a more diverse and inclusive culture, to serve our clients and communities more effectively and maintain our position as a global leader:

**ACCOUNTABILITY**
We drive ownership and accountability of diversity and inclusion progress across all levels of the organization. Our senior leadership teams are responsible for embedding the strategy and for taking actions that will improve diversity representation and drive a culture of inclusion and belonging.

**ADVANCEMENT**
Investing in the development and advancement of employees from underrepresented groups is a key part of our strategy. From onboarding through promotions to senior levels, we support diverse employees along their career journeys through individualized support and programmatic offerings.

**REPRESENTATION**
We believe a diverse workforce brings diversity of thought and deepens our ability to serve our clients, investors and shareholders. We are committed to improving representation through targeted recruitment, development and retention of our employees at all levels and in all divisions across the Firm.

**CULTURE**
At the core of who we are is our belief in fostering a culture of inclusion and belonging for all employees. We celebrate the different cultures, perspectives and backgrounds reflected in our workforce.
Accountability: Driving Diversity and Inclusion Firmwide

Ownership and responsibility for diversity and inclusion at Morgan Stanley starts at the top. Our leadership drives inclusion and belonging by championing and embedding our strategy, as well as personal accountability within their organizations.
Governance and Accountability

We rely on the following governance and accountability measures to achieve our strategy.

**Global Diversity and Inclusion Team:** Our Global Diversity and Inclusion team of more than 30 full-time, dedicated professionals, provide advisory and programmatic support to leaders across the Firm. The team builds and deploys solutions to advance our diversity and inclusion strategy, maintains a continuous dialogue with key stakeholders and monitors our endeavors to ensure effectiveness.

**Diversity Councils:** Diversity Councils comprised of senior executives help advance our objectives and champion a culture of inclusion and belonging globally. Every business and region has an active council that helps leaders design strategies and solutions to address their needs and the needs of their employees.

**Leadership Engagement:** Our senior leadership, including our Chairman and CEO, with oversight from our Board of Directors, are actively involved in diversity and inclusion efforts both Firmwide and in each division. They are responsible for shaping strategies to improve representation, support the retention and advancement of underrepresented employees, and drive inclusion and belonging.

**Diversity Reviews:** Annual Firmwide, divisional and regional diversity reviews are led by our Chairman and CEO, Chief Human Resources Officer and Global Head of Diversity and Inclusion. Through these reviews, we evaluate and track each division’s efforts, commitments and actions. Additionally, Firm leaders regularly meet with our Board of Directors to discuss our efforts, progress and ongoing challenges.

**Performance and Rewards:** Our performance and rewards practices reinforce the Firm’s culture and values. Year-end evaluations assess each employee’s performance, conduct, and contributions to our culture and reflect feedback from managers, direct reports and peers. This feedback is a critical input to both pay and promotion.

**Data and Analytics:** We regularly review representation, hiring, promotion, attrition, compensation and other key data, and leverage that data to identify gaps, shape our strategy and goals, and evaluate progress against those goals.

**Policies:** We have a robust set of policies that set the tone for our culture and guide employee conduct and actions. These policies include our Code of Conduct, Non-Discrimination and Anti-Harassment, and Global Speaking Up and Reporting Concerns policies. Additionally, we empower employees to speak up and express their concerns through our confidential Integrity Hotline.

---

**MORGAN STANLEY INSTITUTE FOR INCLUSION**

In June of 2020, the Firm announced plans to fund a new Institute for Inclusion, modeled after our successful Institute for Sustainable Investing. The Institute for Inclusion will catalyze an integrated and transparent diversity, equity, and inclusion strategy to deliver the full potential of Morgan Stanley to achieve meaningful change within our Firm and beyond.

An independent advisory board, led by our Chairman and CEO James Gorman, will guide the work of the Institute.

The Institute will center its mission on three key pillars:

- Foster diversity and inclusion internally through innovative solutions and deliberate action to become an industry leader in attracting, developing and retaining diverse talent
- Build capacity in underserved communities through our products and services, philanthropy and business practices
- Deliver thought leadership, and practical, scalable solutions to affect change within our industry and beyond
A diverse workforce is critical to Morgan Stanley’s continued success and our ability to serve our clients. We strive to attract and retain underrepresented talent in all levels and roles across the Firm. Supporting that ambition is our Global Recruitment Team. In 2019, we hired over 1,000 college and university students and graduates and nearly 7,000 professionals with the support of our hiring teams around the world. In 2019, more than 40% of new hires globally were women. In the U.S., more than 40% of our new hires were ethnically diverse.
Campus Recruiting

Attracting underrepresented talent from colleges and universities around the world is an integral part of our diversity recruiting strategy.

The Firm's summer internships and full-time analyst programs include targeted diversity efforts such as our Early Insights programs, which introduce women, ethnically diverse and LGBT+ high school seniors or college freshman, as well as veterans, to financial services. Additionally, our Richard B. Fisher Scholarship Program offers financial support to aid diverse students in completing college.

Our 2019 full-time campus hires hailed from more than 300 colleges and universities in over 30 countries, and have undergraduate and graduate majors ranging from finance and accounting, science, technology and math to liberal arts.

From 2015 to 2019, we made meaningful progress by increasing global female and U.S. Black and Hispanic representation for campus full-time hires by 9% each. In 2019, 44% of campus full-time hires globally were women, and 25% of U.S. campus full-time hires were Black and Hispanic, versus 35% and 16%, respectively, in 2015.

RICHARD B. FISHER SCHOLARSHIP PROGRAM

2019 marked the 26th anniversary of the Richard B. Fisher Scholarship Program (RBF), which was designed to uplift students from underrepresented groups and named for our former Chairman and CEO, Dick Fisher. Each year, over 50 participants complete a summer internship at the Firm and receive a $15,000 scholarship to help offset the cost of their college education. Since its establishment, the program has distributed more than $11 million in scholarships to more than 600 students. More than 80% of RBF scholars have returned to the Firm as full-time analysts after graduating from college.

MORGAN STANLEY HBCU SCHOLARS PROGRAM

For the past 30 years, Morgan Stanley has partnered with Historically Black Colleges and Universities (HBCUs), supporting their mission to drive educational attainment for Black students.

In 2020, we deepened our investment with the launch of the Morgan Stanley HBCU Scholars Program, an effort designed to build a strong, diverse talent pipeline of future leaders. Funded with $12 million, the program will award full needs-based scholarships to students, eliminating finance as a barrier to achieving a quality secondary education. Additionally, the program will help scholarship recipients with career and personal support. We are proud to partner in this initiative with Howard University, Morehouse College and Spelman College.
Experienced Hiring

Our Experienced Recruiting team partners with business heads and hiring managers on each candidate search, tapping a broad network of industry and third-party relationships, as well as online resources, to attract and hire from diverse and underrepresented groups. In addition, we have invested in programs that connect us with diverse experienced professionals from within financial services and other sectors.

Morgan Stanley’s Experienced Recruiting team proactively sources diverse candidates, understanding specific market trends and ensuring we maintain dialogue with diverse talent for future open opportunities. As a direct product of these efforts, recruiters provide hiring managers with diverse slates of candidates to review and interview.

Through partnerships with organizations such as iRelaunch, The National Association for Black Accountants and The Association for Latino Professionals of America, and programs like our Return to Work and veteran recruiting initiatives, we have seen growth in diversity representation among experienced hires: In 2019, 43% of our experienced hires were women and 39% were ethnically diverse1, increases of 10% and 13%, respectively, since 2010.

1 U.S. ethnically diverse includes American Indian or Native Alaskan, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or Pacific Islander, and Two or More Races

RETURN TO WORK

In today’s world, careers are fluid and often do not follow a traditional path. We see great potential in experienced women and men who have taken career breaks and are looking to rejoin the workforce. Our Return to Work program is a 12-week paid internship that helps experienced professionals reengage with the workplace using the skills and experience they’ve honed through their years in financial services and other sectors. This program has provided many women who have taken a parenting related career break with a path back after several years away from the workplace.

Over 300 participants have completed the program since it was established in 2014, and more than 70% of them have received full time offers at the Firm. More than 96% of the program’s participants have been women.

Return to Work continues to be a great source for experienced talent, exposing our Firm to individuals we might not have otherwise discovered through traditional recruiting.

PEG SULLIVAN
Global Head of Talent Management
### By the Numbers: Workforce Diversity

#### GLOBAL SENIOR LEADERSHIP

<table>
<thead>
<tr>
<th></th>
<th>WOMEN</th>
<th>ETHNICALLY DIVERSE¹</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
<td>2015</td>
</tr>
<tr>
<td>Board</td>
<td>29%</td>
<td>21%</td>
</tr>
<tr>
<td>Operating Committee</td>
<td>19%</td>
<td>11%</td>
</tr>
<tr>
<td>Management Committee</td>
<td>20%</td>
<td>19%</td>
</tr>
</tbody>
</table>

¹ Ethnicity for our Board of Directors, Operating Committee and Management Committee is represented globally.
By the Numbers: Workforce Diversity

GLOBAL WOMEN

<table>
<thead>
<tr>
<th></th>
<th>FIRMWIDE</th>
<th></th>
<th>AMERICAS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
<td>2015</td>
<td>2019</td>
<td>2015</td>
</tr>
<tr>
<td>Overall</td>
<td>39%</td>
<td>37%</td>
<td>39%</td>
<td>38%</td>
</tr>
<tr>
<td>Officers</td>
<td>26%</td>
<td>22%</td>
<td>25%</td>
<td>22%</td>
</tr>
</tbody>
</table>

EMEA
Europe, Middle East and Africa

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>36%</td>
<td>34%</td>
</tr>
<tr>
<td>Officers</td>
<td>27%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Asia-Pacific and Japan

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>41%</td>
<td>36%</td>
</tr>
<tr>
<td>Officers</td>
<td>29%</td>
<td>25%</td>
</tr>
</tbody>
</table>

1. Officers includes Managing Directors, Executive Directors and Vice Presidents
By the Numbers: Workforce Diversity

### U.S. ETHNICALLY DIVERSE

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. BLACK</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Officers</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td><strong>U.S. HISPANIC</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>Officers</td>
<td>5%</td>
<td>4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. ASIAN</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall</td>
<td>14%</td>
<td>11%</td>
</tr>
<tr>
<td>Officers</td>
<td>14%</td>
<td>11%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. OVERALL ETHNICALLY DIVERSE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall</td>
<td>29%</td>
<td>24%</td>
</tr>
<tr>
<td>Officers</td>
<td>23%</td>
<td>18%</td>
</tr>
</tbody>
</table>

1. Officers includes Managing Directors, Executive Directors and Vice Presidents
2. U.S. ethnically diverse includes American Indian or Native Alaskan, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or Pacific Islander, and Two or More Races
By the Numbers: Workforce Diversity

**CAMPUS RECRUITING**

<table>
<thead>
<tr>
<th>GLOBAL WOMEN</th>
<th></th>
<th>U.S. BLACK</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
<td>2015</td>
</tr>
<tr>
<td>Full-Time</td>
<td>44%</td>
<td>35%</td>
</tr>
<tr>
<td>Summer</td>
<td>50%</td>
<td>36%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>U.S. HISPANIC</th>
<th></th>
<th>U.S. ASIAN</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
<td>2015</td>
</tr>
<tr>
<td>Full-Time</td>
<td>16%</td>
<td>9%</td>
</tr>
<tr>
<td>Summer</td>
<td>9%</td>
<td>12%</td>
</tr>
</tbody>
</table>

|U.S. OVERALL ETHNICALLY DIVERSE\(^1\)| | |
|---|---|
| | 2019 | 2015 |
| Full-Time | 58% | 47% |
| Summer | 58% | 47% |

\(^1\) U.S. ethnically diverse includes American Indian or Native Alaskan, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or Pacific Islander, and Two or More Races.
Advancement: Developing and Supporting Diverse Talent

Helping our employees thrive, achieve their full potential and bring value to our clients begins with our managers and leaders. In alignment with our focus on accountability, we help our people managers acquire the skills to lead and develop diverse talent. This includes ongoing inclusive leadership training to help ensure we are actively mitigating the impact of potential bias. In addition, we support the growth and development of underrepresented and diverse employees through Firmwide and divisional offerings.
Investing in Ethnically Diverse Employees

Supporting and advancing ethnically diverse employees is a key focus of our Firm, and we continuously invest in efforts to help our colleagues thrive.

Our Talent Management and Diversity and Inclusion teams work in close partnership with our businesses and people managers to design tailored solutions to help us achieve this goal. Our offerings include the following:

Our Multicultural Professional Development Series for Black and Hispanic campus hires includes professional development sessions and fosters interactions with senior, mid-level and peer leaders.

The Leader Engagement and Development Program (LEAD) provides Black and Hispanic Executive Directors and Vice Presidents focused career development support. Launched in 2011, more than 230 ethnically diverse colleagues have completed the program.

Our Managing Director Leadership Series which connects Black, Hispanic and Asian Vice Presidents, Executive Directors and newly promoted Managing Directors with senior leadership across the Firm for networking and professional development advice.

BEING BLACK IN CORPORATE AMERICA

In 2019, we were one of the leading sponsors for a landmark study conducted by Coqual (formerly known as the Center for Talent Innovation), Being Black in Corporate America: An Intersectional Exploration.

The nationally representative study surveyed more than 3,700 college educated professionals across various races and ethnicities. In an effort to foster a more equitable working world, Coqual’s research analyzed the experience of Black employees in corporate America, and captured a portrait of a highly motivated, ambitious cohort that has experienced barriers to career advancement.

The study has sparked an ongoing dialogue on what companies need to do to drive progress and create solutions for the future.

We proudly hosted the public launch of this groundbreaking research, convening leaders from across various industries to discuss the findings, and to hear from experts on how we can translate the research into actionable takeaways. In addition, we convened internal sessions to explore the study and to provide opportunities for employees and leaders to discuss the actions we need to take internally to break down barriers and help Black employees thrive.
Investing in Women

To achieve greater gender balance, we offer a range of targeted programs to help women at our Firm thrive.

The Women’s Development Series is a program that develops and supports women at the Vice President and Executive Director levels to help them advance to more senior roles. The program not only includes professional development opportunities, but also connects women to senior leaders at the Firm through informal networking and a speaker series. Launched in 2011, more than 430 women have completed the program.

In Europe and Asia, our Platinum Program is a highly customized, six-month development program for women at the Executive Director level. During the program, employees complete a leadership assessment, receive professional coaching and participate in leadership development workshops to help them advance their careers.

Our 2018 Global Women Managing Director Conference brought together the Firm’s 340 senior-most women from all divisions and Firm leadership for two days of discussion on the Firm’s business strategy, gender in the workplace and community building.

Focusing on Intersectionality

Intersectionality is an additional area of focus. We strive to represent the full diversity of women, including LBT+ and women of color, in our Firmwide offerings, by partnering with and supporting the work of external groups focused on intersectionality. In 2018, the Firm cosponsored a groundbreaking study, conducted by the Coqual (formerly The Center for Talent Innovation), Black Women Ready to Lead. The study highlighted the need to focus on women of color and fueled important internal discussions on advancing Black women. Also, in 2019, our Pride and Ally Employee Network launched the LBT+ Women’s Group to foster greater engagement with LBT+ women and allies at the Firm.

Our Partnership with Catalyst: Advancing Women’s Leadership

We have steadily increased our support of Catalyst, the leading global women’s advocacy and research organization. Most recently, in October 2019, Morgan Stanley donated $1 million to support the nonprofit’s Now Is the Moment — Be a Catalyst campaign to advance diversity, equity and inclusion in the workplace. The grant will help fund the campaign’s “Lead for Equity and Inclusion” initiative, which focuses on greater intersectional inclusion and fairness in the workplace.

In 2018, our Chairman and CEO reaffirmed the Firm’s commitment to Catalyst’s mission by joining the CEO Champions for Change initiative — a pledge to advance more women, including women of color, into senior leadership positions.
Compensation Philosophy and Commitment to Equitable Pay Practices

Morgan Stanley’s compensation programs are designed to attract and retain top talent and deliver pay for sustainable performance in support of the Firm's culture, core values and shareholder interests. The Firm has a “pay for performance” compensation philosophy and rewards employees for the achievement of both financial and non-financial goals.

Attracting, retaining and advancing diverse talent is a priority for Morgan Stanley, and our policies and practices, including those on pay, reflect and promote that commitment. Our compensation programs are competitive within our industry and help ensure equitable rewards for all employees through:

- Robust practices to support fair and consistent compensation, and help ensure reward decisions are based on merit
- Ongoing review of compensation decisions, including at the points of hire, promotion and mobility
- Regular assessment of our rewards structure to help ensure equity for all employees

PAY PRACTICES

Compensation decisions are made in consideration of a variety of performance factors and in the context of industry compensation levels and structures. Compensation managers make decisions informed by employee performance dashboards and tools, and receive training to assist them when making compensation decisions.

Performance factors influencing compensation decisions

- Employee’s absolute and relative performance in an individual and/or supervisory capacity
- Conduct and adherence to the Firm’s core values and other policies and procedures, including any related discipline
- Performance feedback elicited through the Firm’s performance evaluation processes
- Market and competitive factors

COMMITMENT TO ONGOING REVIEWS AND ASSESSMENT

Employee compensation decisions are regularly reviewed, when an individual is hired and annually thereafter. Select regional policies prohibit the solicitation or use of previous compensation history, which helps minimize the risk of perpetuating pay inequities when an employee is hired. We conduct market analyses to ensure pay in each location, job level and function is competitive. Lastly, through ongoing analysis of similarly situated employees, we identify disparities, and, where warranted, individual compensation adjustments are made.

These practices help to ensure equity in pay across the Firm.
U.K. Gender Pay Gap Reporting

In line with U.K. legislative requirements, in 2017, we issued our first Morgan Stanley U.K. Group Gender Pay Gap report. The median figure was 35.2%. In 2018, we reduced that number by 0.9% to 34.3%, and reported a further reduction of 2.8% to 31.5% in 2019. However, it is important to acknowledge there is more work to do. To support our commitment to reducing Morgan Stanley’s U.K. Group Gender Pay Gap, we have targeted to achieve at least 30% female representation in U.K. senior management roles by January 2023, and have shown meaningful progress toward that goal.

### MORGAN STANLEY U.K. GROUP GENDER PAY GAP

<table>
<thead>
<tr>
<th>Year</th>
<th>Median Figure</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>35.2%</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>34.3%</td>
<td>0.9% reduction</td>
</tr>
<tr>
<td>2019</td>
<td>31.5%</td>
<td>2.8% reduction</td>
</tr>
</tbody>
</table>

### THE GENDER PAY GAP EXPLAINED

The Gender Pay Gap is the average pay difference between men and women across an organization regardless of role or level.

The Gender Pay Gap is not the same as equal pay. Equal pay is ensuring that men and woman are being paid equally for the same or similar role, or for work of equal value.
Our culture is a competitive advantage and a source of resilience in times of crisis. We recognize that we must also continue to evolve our culture to be more inclusive so that it represents the beliefs and values of our increasingly diverse workforce and stakeholders. To achieve that goal, all of our leaders and employees are expected to uphold our culture through their actions and behaviors. Our resolve to this standard is reflected in the expectations set forth in our newest core value: Commit to Diversity and Inclusion.
Values-Led

Our core values drive a shared set of behaviors and attributes that guide decision-making consistent with the expectations of our clients, shareholders, regulators and the public. Since Morgan Stanley’s founding in 1935, our pledge — “to do first-class business in a first-class way” — has been at the heart of everything we do and serves as a foundation for success.

With the announcement of our new core value, Commit to Diversity and Inclusion, we have made our expectations with respect to diversity, inclusion and belonging more explicit.

OUR CORE VALUES

DO THE RIGHT THING
- Act with integrity
- Think like an owner to create long term shareholder value
- Value and reward honesty and character

PUT CLIENTS FIRST
- Keep the client’s interests first
- Work with colleagues to deliver the best of the Firm to every client
- Listen to what the client is saying and needs

LEAD WITH EXCEPTIONAL IDEAS
- Win by breaking new ground
- Leverage different perspectives to gain new insight
- Drive innovation
- Be vigilant about what we can do better

COMMIT TO DIVERSITY AND INCLUSION
- Value individual and cultural differences as a defining strength
- Champion an environment where all employees feel a sense of belonging — are heard, seen and respected
- Expect everyone to challenge behavior counter to our culture of inclusion
- Attract, develop and retain talent reflecting the full diversity of society

GIVE BACK
- Serve our communities generously with our expertise, time and money
- Build a better Firm for the future by contributing to our culture
- Develop our talent through mentoring and sponsorship
Employee Networks

Our Employee Networks are a critical part of our inclusion strategy. They drive employee engagement and create a framework for cross-business connectivity and idea sharing.

Our networks empower employees to connect, share their distinct experiences, learn and develop professionally, while supporting each other and giving 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 EMPLOYEE NETWORKS

16 Firmwide networks around the world
36 local chapters
10,000+ members

“The Women’s Business Alliance embodies the Firm’s goal to advance women at every stage in their careers, and provides the platform and opportunities for women to network with senior leaders and open new doors.”

PENNY NOVICK
Global Head of Futures and OTC Derivatives Clearing, and Chair of the Women’s Business Alliance

“As the coronavirus pandemic unfolded, and we saw increased acts of bias toward the Asian community, I was proud to see the Firm respond quickly with resources to help address this issue. The Asian Employee Network became a conduit to drive education and awareness during a critical moment.”

ASHWIN KRISHNAN
Portfolio Manager, Private Credit, and Co-Chair of the Asian Employee Network
BLACK EMPLOYEE NETWORK SPEAKS UP FOR RACIAL JUSTICE

Along with the rest of the world, the Firm watched, with sadness and anger, the killings of Black Americans that sparked the racial justice movement this past summer. Harnessing our collective emotions and resources, we were quick to act in support of our colleagues and to address the injustice before us.

More than 5,000 colleagues joined a courageous and candid conversation on race in America. Moderated by a member of the Firm's Operating Committee, the forum featured a panel of four Black Managing Directors, who shared stories highlighting racial injustice as an ongoing national challenge — and offered ways we can all affect change by:

- Becoming allies to the Black community and engaging in a two-way dialogue
- Starting the work for change in our personal lives, through discussions with family and friends
- Educating ourselves on the history of Blacks in America

ADVOCATING FOR LGBT+ EQUALITY

Morgan Stanley is proud of our record of dedication to the LGBT+ community. With the help and advocacy of Firm leadership and members of the LGBT+ and ally community, we have actively championed equal treatment for over a decade.

We were the only major financial institution to sign two separate amicus briefs before the U.S. Supreme Court in 2013, advocating for the preservation of marriage in California and the overturning of Defense of Marriage Act. In 2015, we joined hundreds of other companies in signing an amicus brief urging the U.S. Supreme Court to strike down laws banning same-sex marriage. Morgan Stanley also recently joined an amicus brief before the U.S. Supreme Court in support of the position, ultimately found by the Court in a landmark decision, that Title VII of the Civil Rights Act of 1964 prohibits employment discrimination based on sexual orientation or gender identity.

In 2019, we scored a perfect 100% on the Human Rights Campaign Foundation’s Corporate Equality Index for the 13th consecutive year and were named to the organization’s list of Best Places to Work for LGBT Equality.

“The events of this year have been deeply personal to all of us. Through our lived experiences, we are all too familiar with the impact of racial injustice in our community. I am proud of the Firm for speaking out on this issue, for moving quickly to support all of us by creating safe spaces for dialogue, and for investing in organizations that directly support Black employees.”

PETER AKWABOAH
Global Head of Shared Services and Banking Operations, and Co-Chair of the Black Employee Network

“Morgan Stanley was part of the support across corporate America that helped make a difference in the Court ultimately recognizing the constitutional right for same-sex couples to marry, and ruling that it is now illegal under Title VII for employers to discriminate against employees merely because they are LGBT+. Our support for and the ultimate success on these issues are a testament to the value of being a leading voice on diversity, inclusion and belonging, and we are proud to have played an important part in securing protection for LGBT+ individuals and their families.”

JACQUELINE LICALZI
Global Head of Regulatory Relations, and Executive Sponsor of the Pride & Ally LGBT+ Employee Network
Encouraging Employee Dialogue

CULTURE CONVERSATIONS
As part of our commitment to communicating Firm values, our Managing Directors and other leaders conduct Firmwide culture conversations annually. These discussions guide our colleagues’ conduct and decision-making, and help them develop the skills to navigate challenging situations. Topics of discussion include diversity and inclusion. Additionally, to introduce new members of the Firm to our culture, our Chief Human Resources Officer conducts bimonthly sessions for new employees in the U.S. We host similar sessions in our major locations globally, including London, Hong Kong, Mumbai, Bengaluru and Tokyo.

EMPLOYEE SURVEY
Understanding the personal perspective and experience of employees is one of the most effective ways to measure our efforts and to inform the direction of our diversity strategy. Through our biennial Employee Engagement Survey, employees offer their feedback on our culture, support for their careers, work environment and our commitment to diversity and inclusion.

2019 EMPLOYEE ENGAGEMENT SURVEY RESULTS
91% of employees participated in the survey
85% believe Morgan Stanley is committed to diversity
81% feel a sense of inclusion and belonging on their teams
Employee Benefits Programs

We offer a world-class, comprehensive benefits program that addresses the physical, emotional and financial wellbeing of our employees and their families.

**PHYSICAL WELLBEING**

Our benefits carefully consider all of our employees, including the unique needs of women, people of color, LGBT+ colleagues and people with disabilities. We help employees and their families of all backgrounds to achieve wellness goals, manage chronic illnesses and grow their families, with a focus on the person. These programs include:

**Family and reproductive programs** help families of all types with fertility treatments, and financial assistance to defray the cost of growing their families through adoption and surrogacy. Globally, our paid parental leave programs meet and often exceed local statutory requirements. For instance, in the U.S., employees who are the primary caregiver receive 16 weeks of paid time-off for the birth, adoption or placement of a foster child; non-primary caregivers receive four weeks. Additionally, in several regions, we subsidize child and adult/elder backup care services, provide resources for parents of children with special needs and developmental challenges, and offer discounted tutors, near-site nurseries, learning pod educators and college admissions support.

**Our expert medical second opinion service**, in partnership with 2nd.MD, ensures U.S. employees and their extended families (dependents, as well as adult children, parents, grandparents and in-laws) can consult with an independent physician specialist when faced with new or worsening medical conditions at no cost.

Our **Benefits Advocates program**, a health care concierge service, helps U.S. employees and their extended families enroll in benefits, find doctors, navigate health issues by connecting them with Firm resources, and resolve claims and billing issues, among other services.

**MENTAL AND EMOTIONAL WELLBEING**

We recognize that mental health is as important as physical health. Our global offerings include a range of free and confidential emotional wellbeing services to help our employees and their families navigate life’s challenges. The Firm’s new mental health benefit in the U.S. through Lyra Health, for example, covers 16 therapy sessions each per year for employees and their dependents. Lyra’s diverse network of mental health providers helps ensure that we meet the needs of employees of all backgrounds. In our Asia and EMEA locations, we offer Headspace, a leading mindfulness and meditation mobile app. Onsite counseling and meditation rooms, as well as health centers and gyms are available in hub locations. Our mental health initiatives in EMEA, which focus on awareness, prevention and treatment, are sponsored by a regional Mental Health Advisory Board.

**FINANCIAL WELLBEING**

To help employees meet their retirement goals and grow their retirement income, the Firm sponsors retirement savings plans with matching contributions in virtually all of our locations. We also offer student loan refinancing, free will preparation through our legal plan or supplemental life insurance program, discounted group insurance options and a financial wellness program in the U.S. and the U.K.

“Our people are our competitive advantage. Ensuring that we have the right benefits in place to help our employees and their families from all backgrounds thrive is paramount to our continued success.”

**PATTIE GOULD**
Global Head of Rewards and Analytics
Our efforts to promote inclusion extend beyond the Firm’s four walls. Wherever we operate, we engage with and support diverse communities through our business practices, philanthropic offerings and diverse supplier program. We understand the importance of diversity and inclusion to our clients and investor communities.
Investing in Diverse Entrepreneurs to Address the Funding Gap

Five years ago, Morgan Stanley established our Multicultural Client Strategy Group (MCSG) to develop the Firm’s strategy to address the significant market inefficiency that limits access to capital by female and multicultural technology entrepreneurs and small business owners.

The MCSG executes an innovative approach to bridge this investment gap by changing investor attitudes and behaviors, investing directly in early-stage technology companies founded by women and/or people of color, and acting as the connective tissue between investors and underrepresented entrepreneurs.

**KEY MCSG PROGRAMS INCLUDE:**

- **Our Multicultural Innovation Lab** supports the growth of tech entrepreneurs of color and women by providing the tools, resources and access to capital they need to succeed. Our research shows these groups receive only a fraction of the capital awarded to other entrepreneurs. The Lab works to support them and to close the trillion-dollar funding gap, one firm at a time.

- **Our annual Senior Multicultural Leaders Conference**, the first of its kind, convenes 300-plus senior Black/African American, Asian, Hispanic and Native American leaders across industries to discuss the changing business environment, social and political issues, global competitiveness and the power of disrupting tradition. The conference also helps executives expand their networks and engage in business development conversations.

- **The Access & Opportunity podcast**, launched in 2018, is an award-winning series that elevates the narrative around access to capital in multicultural and diverse markets. It also provides playbooks from thought leaders on how to overcome barriers, for both investors and entrepreneurs. Since its launch, Access & Opportunity has grown rapidly and continues to increase traction, reaching hundreds of thousands of listeners in all 50 states and across 60 countries.

“**There has never been a ‘supply issue’ when it comes to investing in talented women and multicultural entrepreneurs. We hope that the success we have witnessed in bringing these businesses to scale through the Multicultural Innovation Lab will create opportunities for more diverse entrepreneurs to thrive.”**

**CARLA HARRIS**
Vice Chairman of Morgan Stanley and Head of the Multicultural Client Strategy Group

**MORGAN STANLEY MULTICULTURAL INNOVATION LAB**

Founded in 2017, the Morgan Stanley Multicultural Innovation Lab is our in house accelerator for early stage tech and tech enabled startups led by multicultural and women entrepreneurs. Each year, the Lab hosts a cohort of startup companies for a unique six month experience to drive positive economic outcomes and bridge the market inefficiencies facing underrepresented entrepreneurs.

Program participants are each assigned a Morgan Stanley mentor, given technical support and connected with important stakeholders to help accelerate the growth of their businesses. Through the program, participants also have access to an ecosystem of best in class global partners. The program culminates with a showcase and demo day, with participating companies presenting to potential investors in a pitch format.

The program, now in its fourth cohort, has invested in 31 companies and targets start ups with a multicultural or woman founder, co founder, CTO or other C suite member that is developing innovative solutions across sectors. Previous participants have used the platform to secure additional funding rounds, refine their strategy and expand their business — and some have been acquired. In 2021, the Lab will double in size to two cohorts, and the Firm will increase our investment commitment in each company from $200,000 to $250,000.
Diversity-Focused Research

Morgan Stanley is a global leader in innovative investment research. Our in-house teams have conducted and published a number of critical research studies addressing the need for greater diversity in leadership and in the distribution of investment capital. These research pieces provide key insight and guidance to business leaders and investors alike.

*Beyond the VC Funding Gap* and the *Trillion-Dollar Blind Spot* reports highlight that venture capitalists are not prioritizing investments in traditionally underrepresented groups. Women and people of color have long faced barriers in starting their own businesses. Both reports spotlight the opportunities investors are missing and offer a series of actionable steps to close the funding gap.

In addition, the Morgan Stanley Research team published a new report on gender in 2019, *Why Gender Diversity May Lead to Better Returns for Investors*. In the report, our experts outline how gender diversity at work and investing in equality for women can increase a company’s — and an individual investor portfolio’s — bottom line.

And in 2019, analysts from our Sustainability and Quantitative Research teams collaborated to analyze how gender diversity can affect companies globally. The Holistic Equal Representation Score (HERS) systematically ranked companies based on the level of gender diversity among their workforce at four levels across the Firm: board members, executives, managers and employees. The research found that more gender-diverse companies outperform their less gender-diverse regional and sector peers.
Our Community Engagement and Support

Since Morgan Stanley’s founding 85 years ago, community engagement and volunteerism have been central to our culture globally. We live that commitment through long-lasting partnerships and community support and by engaging our strongest asset, our employees.

In addition to year-round volunteering, our employees have delivered more than 2.4 million hours of service through the Firm’s dedicated Global Volunteer Month each June, including just under 275,000 hours in 2019. Annually, our employees also make a lasting impact with local nonprofit partners through skills-based volunteering, including our signature pro bono program, the Morgan Stanley Strategy Challenge. These programs marry the innovation and talents of our employees with the Firm’s financial support to deliver profound, enduring impact in the communities where we live and work.

A major focus of both the partnerships we create, and our philanthropic efforts is the health and welfare of children. For over 40 years, the Firm has supported children’s health through the Morgan Stanley Children’s Hospital in New York City, through food programs globally, and by funding the design and construction of playground and safe spaces that support the physical wellbeing of children.

One of our latest initiatives, The Morgan Stanley Alliance for Children’s Mental Health, combines the resources and reach of our Firm with the knowledge and experience of distinguished nonprofit partner organizations to help deliver positive, tangible impact on the critical challenges of stress, anxiety and depression in children, adolescents and young people.

As mental health challenges among children and adolescents are rapidly becoming more pervasive and more urgent, we firmly believe there is not only an opportunity, but an obligation, for the private sector to play a critical role in addressing the problem.”

JOAN STEINBERG
Global Head of Philanthropy and President of the Morgan Stanley Foundation

PARTNER SPOTLIGHT: THE STEVE FUND AND YOUNG ADULTS OF COLOR

One of the founding members of the Morgan Stanley Alliance for Mental Health is The Steve Fund, an organization that supports the mental health and emotional wellbeing of young people of color. Research shows a troubling inequity in both the receipt of mental health care and the mental health and emotional wellness outcomes for young people of color. The Steve Fund works to break down the practical, systemic and stigma driven barriers that create that disparity.

Morgan Stanley’s initial grant of $2.5 million significantly increases The Steve Fund’s reach and the impact of its innovative approach, allowing the organization to engage colleges, universities and community groups to help them adopt effective programs and mental health services that address the needs of diverse young people.

The Steve Fund will also support nonprofit and community organizations focusing on Hispanic, African American, Asian American, Native American and Islamic communities, families and young people, by helping to build their capacity around mental health expertise and resources.
Supplier Diversity

Our Supplier Diversity Program seeks out suppliers owned by ethnically diverse individuals, women, veterans, people with disabilities and members of the LGBT+ community to supply hundreds of our offices worldwide.

A diverse vendor base helps support the building and growth of the economies in the communities in which we operate. We continue to broaden our supplier pool to include diverse business owners.

We are proud to partner with the following organizations on our supplier diversity efforts:

- National Minority Supplier Development Council
- New York & New Jersey Minority Supplier Development Council
- Women’s Business Enterprise National Council
- Women Presidents’ Educational Organization
- National Gay and Lesbian Chamber of Commerce
- U.S. Pan Asian American Chamber of Commerce
- WEConnect International
- Minority Supplier Development U.K.

SUPPLIER DIVERSITY GUIDING PRACTICES

- Monitor the engagement of diverse suppliers through quarterly and annual reviews. Additionally, we continually analyze our goals against overall annual spend and at the commodity level to identify opportunities to improve.
- Maintain an internal supplier diversity database, allowing suppliers to register company information, describe their services and upload their diversity certification.
- Include supplier diversity language in key documentation, including our Global Procedures for Supplier Selection and Engagement and Supplier Code of Conduct.
- Through our annual Supplier Diversity Champion award, recognize outstanding sourcing managers who achieve the most diverse representation in the request for proposal (RFP) process.
Sustainability

At Morgan Stanley, we are deeply committed to delivering long-term value for clients and shareholders in ways that also benefit the environment and society.

The Morgan Stanley Institute for Sustainable Investing strives to deliver long-term value for clients and shareholders in ways that also benefit the environment and society by accelerating the adoption of sustainable investing and finance across the capital markets and leveraging the Firm’s expertise to promote innovation, deliver actionable analysis for investors and develop the next generation of leaders in the field.

One of the thematic pillars of Morgan Stanley’s sustainability strategy is inclusive growth. This is defined as economic gains that are broad-based, sustainable and provide opportunity across the range of participants within the economic system. Diversity and inclusion is a key component of inclusive growth. Morgan Stanley strives to deliver commercial solutions to clients that help address diversity and inclusion, as outlined below.

In 2020, we structured inaugural social bonds for the Ford, MacArthur and Doris Duke Charitable Foundations — each focused on expanding grant-making to nonprofits to address recovery and social equity in communities hard-hit by coronavirus.

In 2020, we underwrote Alphabet’s $5.75 billion sustainability bond that aims to address affordable housing, racial equity and support for small businesses in Black communities.

We pioneered investment-grade bond offerings for Community Development Finance Institutions (CDFIs) to advance economic opportunity in underserved neighborhoods across the U.S. Examples of CDFIs that we have supported issuances for include the Local Initiatives Support Corporation, Enterprise Community Loan Fund, Low Income Investment Fund and BlueHub Loan Fund. Previously, Morgan Stanley has made $45 million in grants including commitments to Minority Depository Institutions (MDIs).

In 2019, we launched Morgan Stanley Impact Quotient, an award-winning impact reporting application that enables our wealth management clients to evaluate their portfolio and make investment decisions guided by over 100 social and environmental impact preferences, including areas such as diversity in leadership, gender equity, and access to finance, education and health care.¹

Our Investment Management teams regularly consider diversity and inclusion in investment due diligence across asset classes, and engage directly with investee companies to encourage greater diversity and inclusion across their value chains, pay equity and representation.

In 2019, we launched Morgan Stanley Impact Quotient, an award-winning impact reporting application that enables our wealth management clients to evaluate their portfolio and make investment decisions guided by over 100 social and environmental impact preferences, including areas such as diversity in leadership, gender equity, and access to finance, education and health care.¹

¹ Source: Morgan Stanley Impact Quotient was the 2019 winner of the Money Management Institute and Barron’s Sustainable Investing Award.
Focus on the Future

At Morgan Stanley, we understand that creating meaningful and sustainable change in diversity, inclusion and belonging requires intentional focus and investment. Creating opportunities for all Morgan Stanley colleagues to thrive while serving our clients and our communities is good for everyone and paramount to our success as a global financial institution.

As we look to the future, we will invest more deeply and bring the best of the Firm to bear in accelerating change. To help advance such change, we are:

**Launching our new Institute for Inclusion**, a Firmwide effort chaired by our Chairman and CEO. An independent board of external advisors will shape the Institute’s mission and advise on our internal diversity and inclusion efforts, helping us build offerings that support and develop capacity in underserved communities, and direct philanthropy to issues that address some of society’s most pressing concerns including racial and social injustice.

**Conducting a comprehensive review of our talent processes** to ensure they are fair, and making changes where needed to address areas of concern.

**Deepening our investment in hiring, developing and advancing diverse talent.** We will expand our internal programs, and deepen external partnerships in support of historically underrepresented talent across the Firm.

**Broadening inclusive leadership education for leaders** and increasing accountability measures to ensure our leaders deliver on our commitment to diversity and inclusion.

**Expanding our internal team of global diversity advisors** so we have best-in-class talent to partner with our leadership in building and executing on the right solutions.

Over the course of my 30-year career at Morgan Stanley, I have watched the industry and our Firm evolve, shift and grow in response to changing market and world conditions. Similarly, our Firm and our workforce have changed dramatically. When Morgan Stanley was founded 85 years ago, our workforce was quite homogeneous. Today, we have a workforce that is much more diverse in every respect, embracing individuals from different backgrounds, cultures and countries. In addition, our Firm continues to change. Most recently, we completed the acquisition of E*TRADE and welcomed 4,300 new employees. This latest chapter of our history increased our U.S. headcount by 10%, expanded our technology platform, opened new business avenues and allowed us to service a new demographic of clients.

We understand that we have more to do to fully reflect society and to provide all of our employees with the opportunity to reach their fullest potential.

We will invest in current and future talent, and ensure that diverse talent is seen, respected and supported. Equally, we have a role to play in driving diversity, equity and inclusion in our business practices and through philanthropy.

The work to deliver on these commitments has been underway for some time — and as we look to the future, we will increase our investments and commitment, apply more rigor and deliver with greater transparency.

In this way, we live up to our values — Commit to Diversity and Inclusion, and Do the Right Thing.
U.S. EEO-1 Data

Each year, the U.S. Equal Employment Opportunity Commission requires all companies that meet specific criteria to complete an EEO-1 survey.

The annual survey requires that a company’s U.S. employment data be categorized by race/ethnicity and gender in EEOC-defined job categories. For a representative view of diversity at the Firm by standard industry categories, see pages 14–17.

Morgan Stanley recognizes the value of public disclosure of standardized data across companies and industries and, as a result, we have committed to releasing our U.S. EEO-1 data annually.

### EQUAL OPPORTUNITY REPORT
2018 EEO-1 Certified Employer Information Report for Morgan Stanley

<table>
<thead>
<tr>
<th>LEVELS</th>
<th>HISPANIC OR LATINO</th>
<th>WHITE</th>
<th>BLACK OR AFRICAN AMERICAN</th>
<th>NATIVE HAWAIIAN OR PACIFIC ISLANDER</th>
<th>ASIAN</th>
<th>AMERICAN INDIAN OR ALASKAN NATIVE</th>
<th>TWO OR MORE RACES</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Executive/Senior Officials and Managers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>64</td>
<td>1,188</td>
<td>23</td>
<td>0</td>
<td>114</td>
<td>1</td>
<td>12</td>
<td>1,402</td>
</tr>
<tr>
<td>Female</td>
<td>7</td>
<td>231</td>
<td>14</td>
<td>0</td>
<td>51</td>
<td>0</td>
<td>0</td>
<td>303</td>
</tr>
<tr>
<td><strong>First/Mid Officials and Managers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>386</td>
<td>4,941</td>
<td>294</td>
<td>9</td>
<td>1,783</td>
<td>31</td>
<td>82</td>
<td>7,526</td>
</tr>
<tr>
<td>Female</td>
<td>298</td>
<td>2,613</td>
<td>369</td>
<td>8</td>
<td>1,002</td>
<td>14</td>
<td>71</td>
<td>4,375</td>
</tr>
<tr>
<td><strong>Professionals</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>294</td>
<td>2,187</td>
<td>282</td>
<td>6</td>
<td>822</td>
<td>11</td>
<td>68</td>
<td>3,670</td>
</tr>
<tr>
<td>Female</td>
<td>240</td>
<td>1,557</td>
<td>350</td>
<td>10</td>
<td>653</td>
<td>9</td>
<td>67</td>
<td>2,886</td>
</tr>
<tr>
<td><strong>Sales Workers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>573</td>
<td>9,709</td>
<td>245</td>
<td>18</td>
<td>437</td>
<td>17</td>
<td>122</td>
<td>11,121</td>
</tr>
<tr>
<td>Female</td>
<td>180</td>
<td>2,104</td>
<td>85</td>
<td>2</td>
<td>266</td>
<td>4</td>
<td>44</td>
<td>2,685</td>
</tr>
<tr>
<td><strong>Administrative Support</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>191</td>
<td>1,074</td>
<td>145</td>
<td>5</td>
<td>129</td>
<td>3</td>
<td>29</td>
<td>1,576</td>
</tr>
<tr>
<td>Female</td>
<td>726</td>
<td>4,432</td>
<td>518</td>
<td>23</td>
<td>387</td>
<td>18</td>
<td>98</td>
<td>6,202</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td>2,959</td>
<td>30,036</td>
<td>2,325</td>
<td>81</td>
<td>5,644</td>
<td>108</td>
<td>593</td>
<td>41,746</td>
</tr>
</tbody>
</table>
Strategic Partners

We are proud to have partnered with the organizations listed below in 2019, many of which represent long-standing relationships with the Firm.

100 Women in Finance
A Better Chance
Ali Forney Center
Association of Latino Professionals or America (ALPFA)
Alvin Alley American Dance Theatre
America Needs You
American Corporate Partnership (ACP)
American Federation of Arts
Anita Borg Institute
Asia Society
Asian American Business Development Center
Association of African American Financial Advisors
Association for Women in Finance
Avtar
Black British Business Awards
Black Young Professionals Network
Bloomberg
Bob Woodruff Foundation
Business Disability Forum
Business in the Community
Catalyst
Community Business
Coqual
Council of Urban Professionals (CUP)
Don't Hide It Flaunt It
El Museo del Barrio
Executive Leadership Council
Girl Scouts of America
Girls Leadership
Girls Who Invest
GLAAD
Hampton University
Hispanic Association on Corporate Responsibility
Hispanic Federation of New York
Hong Kong Interbank
Howard University
Human Rights Campaign Foundation
International African American Museum iRelaunch
Jed Foundation
Jericho Project
Jopwell
Kashish Mumbai International Queer Film Festival
Lambda Legal
Latina Style
Latino Corporate Directors
Latino Donor Collaborative
Latino U
L'Attitude
MAKERS
McKinsey
Military MOJO
MLT
Ms. Foundation for Women
NAACP Legal Defense and Educational Fund
National Association of Asian American Professionals
National Association of Black Accountants (NABA)
National Association of Minority and Women Owned Law Firms (NAMWOLF)
National Black MBA
National Center for Women & Information Technology
National Diversity Council
National Organization on Disability
National Sales Network
New York Council of the Navy League
New York LGBT Center
New York Women's Foundation
NPower
Open Finance
Out for Undergrad
Out Leadership
Pink Dot Hong Kong
Pinnacle Foundation
Prep for Prep
Pride Circle
Rare Recruitment
Robert A. Toigo Foundation
Securities Industry and Financial Markets Association
Smithsonian Institution National Museum of African American History & Culture
Social Mobility Foundation
Sponsors for Educational Opportunity (SEO)
Stonewall
Steve Fund
Storefront Academy Harlem
Studio Museum Harlem
TLC Lions
Tuskegee University
UCLA (Williams Institute)
Women in Finance Asia (WiFA)
Women in Banking and Finance
Women on Boards
Women Returners (U.K.)
Women's Bond Club
Women's Corporate Directors
Women's Foundation
Working Families
Working Mother
Year Up

SUPPLIER DIVERSITY PARTNERS
National Minority Supplier Development Council
NY and NJ Minority Supplier Development Council
Women Business Enterprise National Council
Women Presidents’ Educational Organization
National Gay and Lesbian Chamber of Commerce
U.S. Pan Asian American Chamber of Commerce
WEConnect International
Minority Supplier Development UK
2019 Awards and Recognition

Morgan Stanley is honored to have been recognized by these organizations.

<table>
<thead>
<tr>
<th>PUBLICATION OR ORGANIZATION</th>
<th>AWARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barron’s</td>
<td>2019 Top 100 Women Financial Advisors, 17 spots</td>
</tr>
<tr>
<td>Bloomberg Financial Services</td>
<td>Gender Equality Index Participant</td>
</tr>
<tr>
<td>Community Business</td>
<td>Top 5 Employer in the 2019 Hong Kong LGBT+ Inclusion Index and “GOLD” Standard</td>
</tr>
<tr>
<td>Forbes</td>
<td>Top 250 Women Wealth Advisors, 63 spots</td>
</tr>
<tr>
<td>Glassdoor</td>
<td>Top Employer for Gen Z</td>
</tr>
<tr>
<td>Great Place to Work Institute Japan</td>
<td>Great Place to Work® Institute Japan &quot;Best Workplaces for Women&quot;</td>
</tr>
<tr>
<td>Human Right’s Campaign</td>
<td>Best Places to Work, Corporate Equality Index (100%)</td>
</tr>
<tr>
<td>Hungarian Government</td>
<td>Disability Confident Workplace Recognition</td>
</tr>
<tr>
<td>Investment Week</td>
<td>Contribution to Diversity Award</td>
</tr>
<tr>
<td>JobsForHer</td>
<td>Top 5 Company in India for DivHERsity (Large Enterprise)</td>
</tr>
<tr>
<td>JobsForHer</td>
<td>Top 5 Most Innovative Practices in India (Women Returnee Programs)</td>
</tr>
<tr>
<td>Latina Style</td>
<td>50 Best Companies to Work for in the U.S.</td>
</tr>
<tr>
<td>Lawyers’ Committee for Civil Rights</td>
<td>A. Leon Higginbotham Corporate Leadership Honoree</td>
</tr>
<tr>
<td>McKinsey and Company</td>
<td>Women in the Work Place Participant</td>
</tr>
<tr>
<td>Military Friendly</td>
<td>Military Friendly Employer</td>
</tr>
<tr>
<td>Scottish Women in Technology (SWIT)</td>
<td>Diversity Initiative of the Year 2019</td>
</tr>
<tr>
<td>Stonewall Equality</td>
<td>Diversity Champion</td>
</tr>
<tr>
<td>The Times</td>
<td>Top 50 Employers for Women</td>
</tr>
<tr>
<td>Work With Pride Japan</td>
<td>Awarded &quot;Gold&quot; in PRIDE Index</td>
</tr>
<tr>
<td>Working Mother</td>
<td>Top Wealth Advisor Moms, 93 spots</td>
</tr>
<tr>
<td>Working Mother</td>
<td>Working Mother Best 100 Companies</td>
</tr>
<tr>
<td>Working Mother</td>
<td>Best Company for Multicultural Women</td>
</tr>
<tr>
<td>Working Mother</td>
<td>Best Companies for Women in India</td>
</tr>
</tbody>
</table>

SUPPLIER DIVERSITY

<table>
<thead>
<tr>
<th>MINORITY BUSINESS NEWS</th>
<th>AWARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minority Business News</td>
<td>2019 All-Stars of Supplier Diversity</td>
</tr>
<tr>
<td>Women’s Chamber of Commerce</td>
<td>2019 NY Woman of Excellence Award</td>
</tr>
<tr>
<td>NY/NJ Minority Supplier Development Council</td>
<td>Appreciation Award</td>
</tr>
<tr>
<td>Women Presidents’ Educational Organization</td>
<td>Recognition Award</td>
</tr>
</tbody>
</table>
The information and opinions in this report were prepared by Morgan Stanley & Co. LLC, Morgan Stanley Smith Barney LLC and their affiliates (collectively hereafter, "Morgan Stanley").

This report does not provide individually tailored investment advice. It has been prepared for informational purposes only without regard to the individual financial circumstances and objectives of persons who receive it. Unless otherwise stated, the material was not prepared by the Morgan Stanley Research Department and is not a Research Report as defined under FINRA regulations. Any securities mentioned are provided for informational purposes only and should not be deemed as a recommendation to buy or sell. Securities discussed in this report may not be appropriate for all investors. It should not be assumed that the securities transactions or holdings discussed were or will be profitable. Morgan Stanley recommends that investors independently evaluate particular investments and strategies, and encourages investors to seek the advice of a Financial Advisor. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives.

Information contained in the material is based on data from multiple sources and Morgan Stanley makes no representation as to the accuracy or completeness of data from sources outside of Morgan Stanley. References to third parties contained herein should not be considered a solicitation on behalf of or an endorsement of those entities by Morgan Stanley. Morgan Stanley is not responsible for the information contained on any third party web site or your use of or inability to use such site, nor do we guarantee its accuracy or completeness. The terms, conditions, and privacy policy of any third party web site may be different from those applicable to your use of any Morgan Stanley web site. The opinions expressed by a third party are solely their own and do not necessarily reflect those of Morgan Stanley. The information and data provided by any third party web site or publication is as of the date when it was written or published and is subject to change without notice.

Historical data shown represents past performance and does not guarantee comparable future results. Furthermore, this report may contain forward-looking statements and there can be no guarantee that they will come to pass. Indexes are unmanaged and not available for direct investment.

Morgan Stanley makes every effort to use reliable, comprehensive information, but we make no guarantee that it is accurate or complete. We have no obligation to tell you when opinions or information in this report change. The trademarks and service marks contained herein are the property of their respective owners.

Insurance products are offered in conjunction with Morgan Stanley Smith Barney LLC’s licensed insurance agency affiliates.

Morgan Stanley offers a wide array of brokerage and advisory services to its clients, each of which may create a different type of relationship with different obligations to you. Please consult with your Financial Advisor to understand these differences.

The returns on a portfolio consisting primarily of Environmental, Social and Governance ("ESG") aware investments may be lower or higher than a portfolio that is more diversified or where decisions are based solely on investment considerations. Because ESG criteria exclude some investments, investors may not be able to take advantage of the same opportunities or market trends as investors that do not use such criteria.

The Morgan Stanley Impact Quotient is designed to help provide an assessment of a portfolio (or subset thereof) utilizing various environmental, social, and governance (ESG) factors. The metrics included in this assessment are based on key topic areas for sustainable and impact investing. Assessment of a portfolio’s alignment with ESG factors, established by Morgan Stanley, is evaluated based on available data and expertise from MSCI ESG Research, ISS-ESG, Equileap and Fossil Free Indexes.

Losses are possible with an investment in CDFIs. An investor can lose money in their investment if a partner CDFI has net charge-off rates in excess of their loss reserves. In other words, if a partner CDFI makes a lot of bad loans, or the bulk of their investments fail to perform, then they will be faced with financial losses which they may be forced to pass on to investors.

Bonds are subject to interest rate risk. When interest rates rise, bond prices fall; generally, the longer a bond's maturity, the more sensitive it is to this risk. Bonds may also be subject to call risk, which is the risk that the issuer will redeem the debt at its option, fully or partially, before the scheduled maturity date. The market value of debt instruments may fluctuate, and proceeds from sales prior to maturity may be more or less than the amount originally invested or the maturity value due to changes in market conditions or changes in the credit quality of the issuer.

Credit ratings for the CDFI bond offerings with Morgan Stanley are cited from Standard & Poor's, one of the widely followed credit agencies in the fixed income markets. Credit quality is a measure of a bond issuer's creditworthiness or ability to repay interest and principal to bondholders in a timely manner. The credit ratings shown are based on each issuer’s security rating as provided by Standard & Poor's, as applicable. Credit ratings are issued by the rating agencies and the credit quality of the CDFI bonds do not represent its stability or safety. Credit ratings shown range from AAA, being the highest, to D, being the lowest based on S&P's. Ratings of BBB or higher by S&P are considered to be the highest rating is applied. Securities that are not rated by the agencies are listed as "NR".

Most CDFIs are not FDIC-insured.

Please note that there is currently no legal, regulatory or similar definition of what constitutes a “social” bond or as to what precise attributes are required for a particular issuance to be defined as “social.” Without limiting any of the statements contained herein, Morgan Stanley makes no representation or warranty as to whether a bond constitutes a social bond, unless otherwise specified by Morgan Stanley, or whether a bond conforms to investor expectations or objectives for investing in social bonds. For information on characteristics of a specific social bond, use of proceeds, a description of applicable projects and/or any other relevant information about the bond, please reference the offering documents for the bond.

The Financial Advisor awards/ratings listed in the Awards and Recognition section are based on quantitative and qualitative criteria. The awards/ratings may not be representative of any one client’s experience and is not indicative of the Financial Advisor’s future performance. Neither Morgan Stanley Smith Barney LLC nor its Financial Advisors or Private Wealth Advisors pay a fee in exchange for the awards/ratings.

Tax laws are complex and subject to change. Morgan Stanley, its affiliates, employees and Morgan Stanley Smith Barney Financial Advisors and Private Wealth Advisors do not provide tax or legal advice and are not “fiduciaries” (under the Investment Advisers Act of 1940, ERISA, the Internal Revenue Code or otherwise) with respect to the services or activities described herein except as otherwise provided in writing by Morgan Stanley and/or as described at www.morganstanley.com/disclosures/dol. Individuals are encouraged to consult their tax and legal advisors (a) before establishing a retirement plan or account, and (b) regarding any potential tax, ERISA and related consequences of any investments made under such plan or account. Individuals should consult their tax advisor for matters involving taxation and tax planning and their attorney for matters involving trust and estate planning, charitable giving, philanthropic planning and other legal matters.

Morgan Stanley Smith Barney LLC is a registered Broker/Dealer, Member SIPC, and not a bank. Where appropriate, Morgan Stanley Smith Barney LLC has entered into arrangements with banks and other third parties to assist in offering certain banking related products and services.

Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

© 2020 Morgan Stanley. Member SIPC.