

## **Morgan Stanley Introduces New Tool Kit to Effectively Integrate Gender Diversity Criteria Within an Investment Portfolio**

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*Provides Framework to Clarify Range of Approaches Available to Investors to Integrate Gender Diversity into their Investments Without Sacrificing Potential Return*

Investors seeking opportunities to effectively integrate gender diversity criteria within an investment portfolio now have access to a new framework to help translate social change and greater gender equality into an actionable plan for investing.

Morgan Stanley's Investing with Impact Platform has introduced the Gender Diversity Tool Kit. The Tool Kit is designed as a roadmap for Morgan Stanley Financial Advisors to use with individual and institutional clients to develop a tailored investment approach to integrate gender diversity criteria into their investment portfolios.

"We are pleased to provide our clients with this latest Tool Kit," said Lily Scott Trager, Director of Investing with Impact for Morgan Stanley Wealth Management. "As an investment opportunity, gender diversity is about identifying the ways in which achieving balance in representation, empowerment and economic opportunity is material for financial outcomes. With the support of a Morgan Stanley Financial Advisor, investors can take actionable steps towards incorporating gender diversity into investment decisions in a variety of ways."

The Morgan Stanley Gender Diversity Investment Framework offers multiple approaches that can be used individually or together:

**Gender Diversity as a Screen** – Investors can minimize exposure to companies with poor gender diversity records. This approach may reduce exposure to certain long-term risks within a portfolio, or provide investors with a mechanism to align their investments with a core value or social mission.

**Gender Diversity Leaders** – In addition to mitigating risks associated with poor practices, investors may also use gender diversity criteria to identify companies with potentially better risk/return profiles. For some investors, it is important to identify companies with leading gender diversity records as a means of achieving both financial return alongside greater gender balance or equality.

**Gender Lens Investing** – Some investors may wish to more proactively influence gender diversity outcomes. Through this approach, financial decisions are evaluated with the objective of creating greater gender balance and a better world for women and girls. The solutions or themes most commonly associated with gender lens investing are:

- Workplace Equity (including support for women entrepreneurs and business owners),
- Access to Capital for women (including financial services and land ownership), and
- Products and Services benefiting women and girls (for example, affordable childcare and maternal healthcare).

Within each of these approaches across the framework, there are opportunities for investors to generate financial return while creating a social impact. Examples include investments in companies with greater representation of women on Boards of Directors and in senior leadership, and in funds focused on women's healthcare solutions or increasing access to capital for women entrepreneurs in developing countries.

**Shareholder Engagement** – Across all approaches, engagement with publicly traded companies – through proxy voting, filing of resolutions and ongoing dialogue – can be an important and effective tool in driving better outcomes.

**Manager & Strategy Selection** – Investors seeking to advance gender diversity may choose to seek out portfolio managers or investment firms that are women and/or minority owned.

Whether investors are seeking to mitigate long-term risks or potentially enhance returns by leveraging gender diversity, the Tool Kit aims to clarify the full range of approaches to integrating gender diversity criteria across asset classes within an investment portfolio.

"As greater gender diversity and balance is reached across the macroeconomic landscape and as the business case for gender diversity becomes more apparent, our objective is to help investors position their portfolios to take advantage of these opportunities," said Lisa Shalett, Head of Investment & Portfolio Strategies for Morgan Stanley.

Morgan Stanley's Investing with Impact Platform, launched in 2012, enables clients to align investment decisions and personal values without sacrificing potential financial performance. "Large institutions, such as Morgan Stanley, have a unique role to play in helping to create change and influence the direction of the broader investing with impact space – as investor interest continues to grow in size and sophistication so does our Platform," said Hilary Irby, Head of Investing with Impact for Morgan Stanley. The broader Investing with Impact Platform now offers more than 130 investment products delivering positive environmental and social impact alongside opportunities for financial performance.

To learn more about the Gender Diversity Tool Kit, please visit: [www.morganstanley.com/ideas/gender-diversity-toolkit](http://www.morganstanley.com/ideas/gender-diversity-toolkit)

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*Investing in the markets entails the risk of market volatility. Investing based on gender diversity criteria is subject to certain risks such as investment style risk. Because such 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.*

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