

**Response Form**  
**for the**  
***Exposure Draft of the***  
***CFA Institute Diversity, Equity and Inclusion Code (USA and Canada)***

Diversity, equity, and inclusion (DEI) is critical to the future of the investment industry. We recognize that a diversity of perspectives will lead to better investor outcomes; an inclusive investment industry will better serve our diverse society. Further, we recognize that an organization, with an inclusive culture, awareness and education, and effective working relationships, is a better place to work.

CFA Institute is developing a voluntary, DEI Code (the “Code”), to be launched firstly in the USA and Canada. The purpose of the Code is to drive greater diversity, equity, and inclusion within the investment industry. The Code has been designed for the investment industry, by members of the investment industry. It is intended to meet industry where it is, define the current state, and drive improvement from a realistic foundation. Organizations from across the investment industry are invited to become signatories, including investment managers, asset owners and consultants.

The Code is supported by Implementation Guidance which is based upon tested practice from our industry research. It will be regularly updated to reflect changing DEI practice in the investment industry and elsewhere. We have designed a Reporting Framework to guide signatories in the process of reporting on their progress, which is included [here](#) for information only. Individual signatory reports will be kept confidential by CFA Institute, which will in turn report on industry developments.

The goal for this Exposure Draft is to elicit feedback on the proposed principles and recommendations within the Code. Please refer to the “Providing Feedback” guidelines for submitting comments.

**All comments must be received by 4 September 2021 in order to be considered.**

**Providing Feedback**

Public commentary on the Exposure Draft will help shape the final version of the Code, which is expected to be issued in November 2021. Comments should be provided in this Response Form, found [here](#) on the CFA Institute website, and submitted to [deicode@cfainstitute.org](mailto:deicode@cfainstitute.org). Designated spaces for comments appear in the Response Form in the order in which the Principles appear in the Exposure Draft. Questions directed toward the Codes’ intended users are posed in the Response Form, followed by designated spaces for comments related to the Principles and Implementation Guidance. General or summary comments on the Exposure Draft may be provided in the designated section at the end of the Response Form.

When providing feedback on a specific principle, it may be helpful to consider whether the meaning of the principle is clearly stated and whether the principle will add value for users of the Code. You may provide as few or as many comments as you wish.

The deadline for providing feedback is 4 September 2021. **Comments received after 4 September 2021 will not be considered.** Unless otherwise requested, all comments will be posted on the CFA Institute website.

#### Guidelines for submission

Comments are most useful when they:

- directly address a specific issue or question,
- provide a rationale and support for the opinions expressed, and
- suggest alternative solutions in the event of disagreement.

Positive comments in support of a proposal are equally as helpful as those that provide constructive suggestions for improvement.

#### Requirements for submission

In order for comments to be considered, please adhere to the following requirements:

- **Insert responses in the designated areas of the response form.**
- **Assign a unique file name to your response form before submitting.**
- **Provide all comments in English.**
- **Submit the response form as a Microsoft Word document.**
- **Submit the response form to [deicode@cfainstitute.org](mailto:deicode@cfainstitute.org) by 5:00 PM E.T. on 4 September 2021.**

**General Information (required)**

<p><b>Respondent:</b></p> <p><i>(Please enter your full name if you are submitting as an individual or the name of the organization if you are submitting on behalf of an organization.)</i></p>	<p>Click or tap here to enter text.</p>
<p><b>Stakeholder Group:</b></p> <p><i>(Please select the stakeholder group with which you most closely identify.)</i></p>	<p>Investment Professional</p>
<p><b>Region:</b></p> <p><i>(If you are submitting as an individual, please select the region in which you live. If you are submitting on behalf of an organization and the organization has a significant presence in multiple regions, please select "Global". Otherwise, please select the region in which the organization has its main office.)</i></p>	<p>North America</p>
<p><b>Country:</b></p> <p><i>(If you are submitting as an individual, please enter the country in which you live. If you are submitting on behalf of an organization, please enter the country in which the organization has its main office.)</i></p>	<p>United States</p>
<p><b>Confidentiality Preference:</b></p> <p><i>(Please select your preference for whether or not your response is published on the CFA Institute website.)</i></p>	<p>yes, my response may be published</p>

## QUESTIONS FOR INTENDED USERS

### Questions for Investment Managers, Asset Owners, Consultants, and Investors

1. Do you agree that the investment industry needs a DEI Code to drive change?

<QUESTION\_01>

See General Comment 11

<QUESTION\_01>

2. Do you consider the Principles cover the key areas for change?

<QUESTION\_02>

See General Comment 11

<QUESTION\_02>

3. Is there a DEI area that you would like to see covered by the Code that is not in the draft Code?

<QUESTION\_03>

See General Comment 11

<QUESTION\_03>

4. Will the draft Code help establish the changes in processes and practices that investment industry organizations need to drive up DEI internally?

<QUESTION\_04>

See General Comment 11

<QUESTION\_04>

5. Will the draft Implementation Guidance help enable the changes in process and practice that investment industry organizations need to drive up DEI internally?

<QUESTION\_05>

See General Comment 11

<QUESTION\_05>

6. To what extent would an investment firm becoming a signatory to the Code help provide the DEI-related information that is typically provided or asked for in Requests for Proposals (RFPs),

Due Diligence Questionnaires (DDQs), other types of questionnaires and in client DEI-related discussions?

<QUESTION\_06>

See General Comment 11

<QUESTION\_06>

7. To what extent are the draft Principles supportive of and complementary with local laws and regulations and other DEI codes and standards?

<QUESTION\_07>

See General Comment 11

<QUESTION\_07>

8. Would an investment organization becoming a signatory to the Code help provide investor reassurance about the investment organization's culture?

<QUESTION\_08>

See General Comment 11

<QUESTION\_08>

9. Would it be helpful if the Implementation Guidance to the Code is reviewed and updated annually or less frequently?

<QUESTION\_09>

See General Comment 11

<QUESTION\_09>

10. Would your firm be prepared to contribute examples of tested DEI practice to update the Implementation Guidance to the Code?

<QUESTION\_10>

See General Comment 11

<QUESTION\_10>

## DEI CODE AND IMPLEMENTATION GUIDANCE FOR INVESTMENT ORGANIZATIONS

### General comments section

#### 11. General comments on the Code and Implementation Guidance:

<COMMENT\_11>

I roundly reject the premise of the Diversity, Inclusion and Equity Code.

The Chartered Financial Analyst designation is recognized in 162 markets around the world. **That is Diversity.**

More than 178,000 active charterholders work in markets globally. **That is Inclusion.**

Over 3.3 million tests have been administered by the Institute, nearly 1.8 million tests in the last ten years. I know of no instance of anyone denied the ability to take the exam because of their race, color, creed or national origin. **That is equality.**

In the nearly 40 years since I chose to pursue the Chartered Financial Analyst designation, the Institute has promoted Ethics for the Investment Management Profession (including the Code of Ethics and Standards of Professional Conduct), Ethical Decision Making and Giving Voice to Values. Many of the educational resources related to ethics make their way into university classrooms and corporate boardrooms. The Institute promotes an Asset Manager Code outlines the ethical and professional responsibilities of organizations that manage assets on behalf of clients.

In summary, The CFA Institute has always advocated a set of principles promoting Diversity, Inclusion and Equality (not Equity) within the investment industry.

A new and separate Diversity, Inclusion and Equity Code wastes the resources of an Institute that always held high standards in this area. This effort wastes the annual dues paid by tens of thousands of charterholders for the sake of participation in the latest trendy efforts at woke capitalism.

Rather than a new, redundant set of standards, the Institute should issue a statement like the following:

Diversity, Equality and Inclusion have always been bedrock principles of the CFA Institute and will continue as bedrock principles in the future. We challenge institutions in business and academia to absorb the culture we promote. We challenge institutions in business and academia to incorporate the CFA curriculum and/or the Investment Foundation Programs into their education and training programs. Our long history of promoting ethics and professional standards has accrued to the benefit of many organizations around the world. We stand ready to continue and expand on that history.

The Institute can go further by laying down specific challenges for several organizations:

Incorporation of the CFA curriculum and standards into the academic world of **historically black Colleges and Universities**. We need these organizations to proactively pursue a relationship with the Institute for the benefit of their students in particular and the institution in general.

Introduction of the curriculum and standards at the **Junior College** level, particularly where the Institution can promote basic financial literacy for students working toward non-financial, more technically oriented careers.

Push back on **broker/dealers and registered investment advisers** that promote themselves as advisers, yet hire college graduates and train them as financial salesman. A college graduate with aspirations to incorporate the high standards of the CFA Charter into their professional lives are often discouraged when they find themselves cold calling and trying to build a book of business.

Strongly encourage **broker/dealers and registered investment advisers** to review their fee structures and minimum account sizes. I believe the lack of access to true professional management of financial assets unfairly accrues to investors in middle and lower middle class economic categories. Often this category is weighted toward minorities.

Most importantly, encourage **corporations** to reject the Diversity, Inclusion and Equity industry. Powerful forces in this industry are focused on elevating the principles of Socialism, Communism and Marxism above those of Liberty, Freedom and Capitalism. It is one thing to make it clear that any form of discrimination is not acceptable in the workplace. It is another to incorporate Woke Corporatism into the culture.

A recent Heritage Foundation study found that “promoting DEI has become a primary function of higher education, with DEI staff making up an average 3.4 positions for every 100 tenured faculty.” “The authors’ research suggests that large DEI bureaucracies appear to make little positive contribution to campus climate: Rather than being an effective tool for welcoming students from different backgrounds, DEI personnel may be better understood as a signal of adherence to ideological, political, and activist goals.”

The CFA Institute is letting charterholders down by participating in this industry when we have worked for decades to develop the high standards we all pursue and promote. We have an opportunity to end our participation in the DEI Industry and set an example of excellence that other organizations should emulate. I hope we do not miss that opportunity in order to fit in.

<COMMENT\_11>

## 12. Comments on Principle #1 and associated Implementation Guidance:

<COMMENT\_12>

See General Comment 11

<COMMENT\_12>

13. Comments on Principle #2 and associated Implementation Guidance:

<COMMENT\_13>

See General Comment 11

<COMMENT\_13>

14. Comments on Principle #3 and associated Implementation Guidance:

<COMMENT\_14>

See General Comment 11

<COMMENT\_14>

15. Comments on Principle #4 and associated Implementation Guidance:

<COMMENT\_15>

See General Comment 11

<COMMENT\_15>

16. Comments on Principle #5 and associated Implementation Guidance:

<COMMENT\_16>

See General Comment 11

<COMMENT\_16>

17. Comments on Principle #6 and associated Implementation Guidance:



<COMMENT\_17>

See General Comment 11

<COMMENT\_17>