

**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>

No. I strongly disagree with the idea that a DEI Code is relevant to, or in any way desirable for, the investment industry. In fact, I believe the agendas of “equity” and “inclusion” are completely contradictory to the objective and meritocratic standard the CFA Institute has stood for in the past and the role we investment professionals serve in society.

The Charter itself holds appeal and value largely because it is not inclusive; the low pass rates on exams are a continual reminder of the imprimatur of achievement the Charter confers. The CFA exams serve to distinguish capability purely on color-blind merit, and the rigor observed in conferring of the Charters should transfer to all the work we as Charterholders do. Puns on the word aside, there is no “equity” in markets. They function by ruthlessly shunning the weak and non-performing. We don’t consider fashionable notions of “equity” in the process of analyzing company share price to determine whether a firm is over- or under-valued. “Inclusion” should play no role in determining whether a firm’s future operating cash flows can support higher levels of debt. I believe the CFA Institute is flirting with violations of its own Standards and Code of Conduct by undermining objectivity and fairness through a DEI code.

I find it fantastically ironic that an organization dedicated to promoting industry practice standards, continuous education, and identification of those who meet the most rigorous metrics would publish a code that suggests that “middle ranking grades may be an exceptional achievement in an otherwise underachieving school.” (Implementation Guidance for Public Consultation, page 5) Can we expect the CFA exams to be graded on a curve in the future, where each candidate is assigned some “hardship factor” that can compensate for poor performance on the exam and still result in a passing score? The Implementation Guide calls for “elimination of barriers and root causes that have prevented underrepresented groups from full participation within the workplace.” Are we to read this to mean that, if the CFA charter is not conferred equitably across every intersectional “group” identified in the Code, that a CFA charter therefore must not be a requirement for an employment position? Surely that could be construed as a “barrier.”

I am embarrassed and ashamed to be affiliated with an organization that would promulgate this destructive and unethical thinking. It makes me seriously question my desire to continue to be affiliated with the CFA Institute.

<QUESTION\_01>

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

<QUESTION\_02>

The “Principles” certainly do address change, perhaps even the destruction of the core identity of the CFA Institute. I’m not sure that’s the change we’re looking for. A much better approach would be to reaffirm what pretty much all of the corporate world is committed to: non-discrimination. Often confused with “Diversity, Inclusion, and Equity” agendas, non-discrimination is the virtuous behavior of refusing to allow irrelevant factors (race, ethnicity, etc.) to impede in the acknowledgement of what is rightly merited, be this employment, capital, etc. However, even on this topic, I would advise the CFA Institute to remain silent, as this topic is more than adequately addressed by law and corporate policy. If the CFA Institute piles into this topic, it is simply for purposes of political posturing, and not to bring about meaningful discussion or needed change.

<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>

No – there is no way to make this “Code” anything other than an anti-meritocratic piece of a political agenda.

<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>

[ ENTER RESPONSE HERE]

<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>

[ ENTER RESPONSE HERE]

<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>

[ ENTER RESPONSE HERE]

<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>

[ ENTER RESPONSE HERE]

<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>

The organization becoming a signatory to the Code would certainly advise an investor on the organization's culture, but not in a good way. It would serve to signal to investors that the organization is not a meritocracy, values faddish political appearances over performance, and has objectives other than the investor's best interests at its core. As an investor, I would consider the existence of such a Code as a red flag of possible fiduciary violation.

<QUESTION\_08>

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

<QUESTION\_09>

I would recommend whatever reviews are required in order to completely scrap the entire idea. It is a horrible idea, and probably unethical from the standard of the fiduciary duty we have to our clients and the markets

<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>

<QUESTION\_10>

## DEI CODE AND IMPLEMENTATION GUIDANCE FOR INVESTMENT ORGANIZATIONS

### General comments section

11. General comments on the Code and Implementation Guidance:

<COMMENT\_11>

ENTER RESPONSE HERE

<COMMENT\_11>

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

<COMMENT\_12>

ENTER RESPONSE HERE

<COMMENT\_12>

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

<COMMENT\_13>

ENTER RESPONSE HERE

<COMMENT\_13>

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

<COMMENT\_14>

ENTER RESPONSE HERE

<COMMENT\_14>

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



<COMMENT\_15>

ENTER RESPONSE HERE

<COMMENT\_15>

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

<COMMENT\_16>

ENTER RESPONSE HERE

<COMMENT\_16>

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

<COMMENT\_17>

ENTER RESPONSE HERE

<COMMENT\_17>