

**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@cfa.org](mailto:deicode@cfa.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)**

<b>Respondent:</b>  <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>	Click or tap here to enter text.
<b>Stakeholder Group:</b>  <i>(Please select the stakeholder group with which you most closely identify.)</i>	<b>Investment Professional</b>
<b>Region:</b>  <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>	<b>North America</b>
<b>Country:</b>  <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>	<b>United States of America</b>
<b>Confidentiality Preference:</b>  <i>(Please select your preference for whether or not your response is published on the CFA Institute website.)</i>	<b>yes, my response may be published</b>

## 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 believe this is a mistake and I hope that the leadership of the CFA Institute will realize that.**

**Certainly we as citizens in North America, and certainly the professionals who have earned a charter from the CFAI, should advocate for fairness, equal access to opportunities, elimination of antagonistic racial division, and avoidance of discrimination of individuals through tilting the balance of fairness either way.**

**I strongly urge you to consider stepping away from the packaging and branding of this important effort under the banner of the now politically and culturally charged terms of Diversity, Equity, and Inclusion. This banner has begun to be used to legitimize class warfare and foundational elements of ideologies including socialism, tribalism, communism, and fascism. To ignore this, the CFAI misses the mark in accomplishing its objectives and representing its constituents.**

**I also believe the CFAI is overreaching its organizational influence. I have not ceded authority to the CFAI to regulate my thoughts and beliefs. Please don't assume you have it. We have enough Woke-ism, self-exaltation and schismogenesis in our culture, and snippets of this DEI code weaves their counter-cultural diatribe into its text.**

**A professional association needs to deliver value to its members, first. During this pandemic, the disruption of the model of delivery of your value is apparent. However, as a charterholder and dues paying member (read "customer"), I tell you I think this application of resources is wasteful and reckless.**

**As a very good alternative, a concise and simple amendment to the existing Code of Ethics and Standards of Professional Conduct would be a much more effective approach. Eliminate all of the advocacy of pro-discrimination, because such a path leads to a slippery slope. The characteristics and criteria applied to favor any group will always be up for grabs and could lead easily to fascism and other destructive ideologies. ]**

<QUESTION\_01>

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

<QUESTION\_02>

**The principles are well written and outlined, but continue to smack of cultural and political agendas in placing too much emphasis on the characteristic adjectives used to define, segregate and often exclude individuals based upon their characteristics rather than their character, intent and abilities. This is a consistent mistake of well-meaning efforts like these.**

<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>

**Rather than using the term Equity-defined as “fairness of access, opportunity, and advancement for all within an organization, which requires eliminating barriers and root causes that have prevented underrepresented groups from full participation within the workplace,” simply refer to it as Fairness. It is much more acceptable.**<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>

**I worry that it will be used for organizations who “adopt” this DEI Code to look good rather than to do good. Compliance and results will, at best, be subjective and likely self-serving in the end.**

<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>

**As stated above, I do not think it will have the intended effect. Rather, it will allow many to whitewash over discriminatory practices by focusing attention toward looking good rather than doing good.**

<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>

**If this becomes important for marketing efforts, it will be used to “demonstrate” a commitment to these principles-because that is easy. Will it change fundamentally how firms will do business? I doubt it.**

<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>

**In North America, these principles do not appear to be inconsistent with laws and regulations, however, they would be anathema, subject to abject derision, in much of the rest of the world.**

<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>

**I don't think most investors will think much of this initiative. Their focus is on development of strong relationships with competent, bright, capable, trustworthy, hardworking, and effective advisors that truly behave as fiduciaries and demonstrate integrity in their interactions. In my opinion, Institutional investors who may be mired in cultural window dressing will applaud this loudly in public, but largely ignore it in private.**

<QUESTION\_08>

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

<QUESTION\_09>

**As outlined above, I believe you should reverse your current course and reconsider the aims, processes, and deliverables developed to accomplish these objectives.**

<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>

**I do not believe our firm will adopt this code as drafted, nor will we participate in its implementation.**

<QUESTION\_10>

## DEI CODE AND IMPLEMENTATION GUIDANCE FOR INVESTMENT ORGANIZATIONS

### General comments section

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

<COMMENT\_11>

**My comments above give my individual opinions.**

**I implore you to reconsider this initiative.**

**I care about the CFAI and its impact on the world.**

**The DEI Code has the potential to sharply divide your constituency and lead to increasing cynicism and rejection toward the leadership of the CFAI.**

**At a minimum, consider putting this initiative on a Member vote referendum. The results might surprise me, or they might surprise you.**

**Finally, using a word processor, substitute the title of “Fairness and Equal Opportunity” everywhere you use the Diversity, Equity, and Inclusion (DEI) branding. With a light edit of the remaining text, you would have something less controversial, less divisive, and more likely to succeed. Then, fold this into our existing Code of Ethics and Standards of Professional Conduct- it does not need a stand-alone Code of its own.**

<COMMENT\_11>

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

<COMMENT\_12>

**See my comments above-nothing further to add.**

<COMMENT\_12>

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

<COMMENT\_13>

**See my comments above-nothing further to add.**

<COMMENT\_13>

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

<COMMENT\_14>

**See my comments above-nothing further to add.**

<COMMENT\_14>

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

<COMMENT\_15>

**See my comments above-nothing further to add.**

<COMMENT\_15>

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

<COMMENT\_16>

**See my comments above-nothing further to add.**

<COMMENT\_16>

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

<COMMENT\_17>

**See my comments above-nothing further to add.**

<COMMENT\_17>