Respondent:*(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.)*	
Stakeholder Group: *(Please select the stakeholder group with which you most closely identify.)*	Charterholder, Investment Manager.
Region: *(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.)*	North America
Country: *(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.)*	United States
Confidentiality Preference: *(Please select your preference for whether or not your response is published on the CFA Institute website.)*	Please publish in full, anonymously.

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>
Please see my answer to question 11 (general comments).
<QUESTION_01>

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

<QUESTION_02>
Please see my answer to question 11 (general comments).
<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>
Please see my answer to question 11 (general comments)..
<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>
Please see my answer to question 11 (general comments).
<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>
Please see my answer to question 11 (general comments)..
<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>
Please see my answer to question 11 (general comments).
<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>
Please see my answer to question 11 (general comments).
<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>
Please see my answer to question 11 (general comments).
<QUESTION_08>

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

<QUESTION_09>
Please see my answer to question 11 (general comments).
<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>
Please see my answer to question 11 (general comments)..
<QUESTION_10>

Page Break

DEI CODE AND IMPLEMENTATION GUIDANCE FOR INVESTMENT ORGANIZATIONS

General comments section

11. General comments on the Code and Implementation Guidance:

<COMMENT_11>
On August 28, 1963, Martin Luther King Jr. made his famous “I Have a Dream” speech. It was a speech that built its foundations upon the Declaration of Independence, and the promises America had made but had not yet fully kept, and perhaps still hasn’t. A part of Dr. King’s dream was that “[his] four little children will one day live in a nation where they will not be judged by the color of their skin but by the content of their character.”

The proposed CFA Institute Diversity, Equity, and Inclusion Code and Implementation Guide (collectively referenced herein as the “Code”) is contrary to this dream and to its own mission.

The main and recurring error made throughout this document amounts to the repeated urging to purposefully discriminate recruiting, hiring, retention, and promotion policies on the basis of immutable characteristics including race and sex. It places the onus of change on existing workers, members of racial majorities, and organizations within the investment community to read minds, to fundamentally change themselves, and to sacrifice their own culture to be “more inclusive,” while expecting no such work or reconciliation on the part of those who may happen to be minorities. The example given within the text, of decrying that hosting a social event for employees at a baseball game may be “exclusive” for some people, means companies will ultimately be forced to do no social events at all for fear of offending or excluding an unknown “somebody.”

The proposed ways to measure a firm's "diversity" amount to ending snapshots and not processes, akin to using only the balance sheet of a company to perform a valuation and ignoring (if not purposefully shunning) the other financial statements. It creates a perverse incentive for signatories where all human resource decisions will require a view through a racial (etc.) lens, and provides no way to standardize that view. This suggests that "diversity" is achieved when some sort of equality of *outcome* (the more commonly used definition for "equity" in the public dialogue) is found, which simply is impossible to occur naturally, and must be imposed top-down. Insisting on this is internally self-contradictory. The only way that all demographics would naturally appear in the same proportions they do in the general population across *every* industry, company, position, board, etc. is if they are all ultimately the same. If they are all the same however, diversification should be impossible. To paraphrase Thomas Sowell, an economist (who, irrelevant to those actually interested in equality, happens to be African American), "individuals do not behave identically, why would we expect groups to?"

The definitions provided within the Code are among the least onerous I personally have seen within various contexts, but there is no guarantee these definitions will not change afterward to get more in line with the general definitions seen.

The Code is decidedly Americocentric, portraying what should be a *global* goal for a *global* organization (the removal of discriminatory barriers to human resource activities) is aimed squarely at the most free and most equal societies in history, and ignores very real and oft-ignored issues plaguing the world, including slavery in sub-Sahara Africa, the lack of women's rights in the Middle East, and the current persecution and forced concentration of the Uyghur population in Chinese camps. The Code disregards these completely, and would separate a large segment of its members across regional lines, something I would expect an organization with a global scope to avoid. Take with this the advice for companies to avoid being "homogenous," the Code warns us, but again does not take into account areas where homogeneity is unavoidable, including African and Asian countries. Shall these places strive for "diversity," too? Or is this only expected of the North American region? Is this not a needless division? This Americocentricity also betrays a certain sense of, what I will coin, White Subordinationism. By treating groups monolithically (as discussed in the next paragraph), there is an implication built into everything. Boards may be "too white" or "too male." "White" is a problem, and "diversity" is the obvious solution. Perhaps some individuals who happen to be white may pay the price (termination of employment, removal from boards), but no heed nor suggestions to handle that are provided in the Code.

Groups are treated as monolithic implicitly by the Code: only diversity of immutable characteristics is considered, but the unique perspectives that make every single person an individual are neglected. Under the principles espoused in the Code, it would be morally better to give an opportunity to a rich Harvard graduate who happens to be a black woman than to give a chance to a poor white man from a defunct coal town. No heed is given to this nuance, despite the fact that differences in perspective are far more likely to be driven by socioeconomics than racial or gender dynamics. The poor, collectively, can relate to each other across races far more than they can relate to the wealthy, even if they also generally happen to be the center of most friction.

The Code asks managers to violate the CFA Code of Ethics and Standards of Professional Conduct's following statements:

I. Professionalism
    A. Knowledge of the Law
        1. Purposefully basing hiring, retention, promotion, and separation policies around the characteristics of race, color, sex, ethnicity, origin, etc. violates the Civil Rights Act of 1964 and various other Federal and State laws within the United States.

II. [Not applicable]

III. Duty to Clients
    A. Loyalty, Prudence, and Care
        1. In emphasizing hiring with metrics that are immaterial to the investment decision making process, the hiring manager may hire a candidate that "fills a quota" but is counterproductive to the process, and may introduce a risk of harm to clients. There is nothing in the proposed Code that prevents this from happening.
        2. Clients may have misgivings on how diversity, equity, and inclusion policies are pursued, either at the firm level or the investment level (looking for stocks with specifically defined diversity "scores"). Forcing them into investment decisions based on guilting them at best or lying to them at worst constitutes a breach of this duty. There is no requirement made in the Code to disclose these policies to existing or prospective clients.

IV. Duties to Employers
    A. Loyalty
        1. In pursuing human resource activity with a racial lens, adherents to this code may end up violating various laws (Civil Rights Act of 1964, etc.), and may introduce legal liabilities to their employer in the form of anti-discrimination suits from people within majorities who believe they were discriminated against in a hiring, retention, promotion, or separation decision.

Lastly, many of the recommendations for policies to adopt are so broad and vague (and seemingly purposefully so) that they can easily be weaponized. A call to "disclose political contributions" could very easily be used as a cudgel against people who may happen to have a different political opinion.

In conclusion, I cannot in good conscience accept this Code, I do not recommend its continuance, and I will vote against its adoption should a vote be called.
<COMMENT_11>

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

<COMMENT_12>
Please see my answer to question 11 (general comments).
<COMMENT_12>

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

<COMMENT_13>
Please see my answer to question 11 (general comments).
<COMMENT_13>

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

<COMMENT_14>
Please see my answer to question 11 (general comments).
<COMMENT_14>

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

<COMMENT_15>
Please see my answer to question 11 (general comments).
<COMMENT_15>

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

<COMMENT_16>
Please see my answer to question 11 (general comments).
<COMMENT_16>

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

<COMMENT_17>
Please see my answer to question 11 (general comments).
<COMMENT_17>