

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. 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 by 5:00 PM E.T. on 4 September 2021.**

General Information (required)

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

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>

Yes, as Awareness; Measurement and; Shared Best Practice are foundational elements towards improving DEI in the Investment Industry

<QUESTION_01>

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

<QUESTION_02>

Yes, the DEI Code is a thoughtful, well-vetted and well-written document.

<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>

Yes, three areas in particular

1. Awareness

- a. The code speaks to 'eliminating barriers and root causes that have prevented underrepresented groups from full participation within the investment industry' but it also has to speak to increasing awareness of the root causes so that both individuals and organizations can be proactive agents.
 - i. This is equivalent to teaching someone how to fish.
- b. Awareness should also be highlighted from the perspective of promoting 'Success Stories' both individually and organizationally. This will increase the exposure of the industry to diverse youth and the opportunities for them within the investment industry. It will also highlight progress and opportunities to both diverse members of the investment industry as well as organizations.
- c. Awareness can explicitly be added to principle 1 ('perception of scarcity....and lack of awareness'); principles 4&5 (influence can be accelerated and

amplified by highlighting and spotlighting success stories both for individuals and institutions).

- d. Ultimately, a thread of awareness can be woven through all of the principles.

2. Executive Coaching

- a. The code speaks to the importance of mentorship and sponsorship however I strongly believe that executive coaching should also be added as an important factor in increasing the opportunity for successful mid-level diverse management to become high-level senior management and c-suite executives.
 - i. This is important because complexity increases as the level of management increases and an executive coach is an important influence in navigating the nuance.
 - ii. Personally, in my career, it has become increasingly evident to me that this has been an important missing factor.

3. Capital Markets Activities

- a. The Code should cover capital markets activities and the consideration of diverse 3rd party participants and/or dealers for capital markets activities such as execution; underwriting and; advisory.
 - i. This will accelerate the advancement of diverse professionals and organizations especially in Canada where there are no minority-owned investment dealers compared to over 30 in the U.S.
 - ii. Revenues generated through capital markets activities opens an additional path to help realize on the promise of equal opportunity and equity in the investment industry.

<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>

Yes, I strongly believe that it will accelerate the changes.

<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>

Yes, it should also consider including Capital Markets Activities to further drive up DEI externally as well.

<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>

I believe that decreasing the frequency of submissions to either bi-annually or tri-annually will increase participation and buy-in.

<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>

I am not sufficiently knowledgeable in this area to provide a response.

<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>

No. It provides reassurance as to intent however the reinsurance about the organization's culture will only come through 'success stories' or voluntarily disclosed measurements.

<QUESTION_08>

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

<QUESTION_09>

Yes. I believe every 3-5 years would be sufficient.

<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 am not in a position to answer this but I do believe that my firm (BMO Global Asset Management) would.

<QUESTION_10>

DEI CODE AND IMPLEMENTATION GUIDANCE FOR INVESTMENT ORGANIZATIONS

General comments section

11. General comments on the Code and Implementation Guidance:

<COMMENT_11>

It is a thoughtful and well-written document. Very impressed.

<COMMENT_11>

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

<COMMENT_12>

Can consider replacing 'driven at times by perceptions of scarcity' with 'driven at times by lack of awareness'.

<COMMENT_12>

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

<COMMENT_13>

No additional comments.

<COMMENT_13>

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

<COMMENT_14>

Opportunity to add executive coaching as an important element to successfully advance diverse employees from mid-level management to senior level management and c-suite executive positions.

<COMMENT_14>

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

<COMMENT_15>

Can incorporate increasing awareness (of root causes as well as success stories) to the broader employee population as an important element of leadership.

<COMMENT_15>

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

<COMMENT_16>

Can incorporate increasing awareness (of root causes as well as success stories) to the broader employee population as an important element of influence.

The commitment must be both top down (present leadership which is addressed) and bottom up (future leadership which is not addressed).

<COMMENT_16>

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

<COMMENT_17>

No additional comments.

<COMMENT_17>