

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. 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)

<p>Respondent:</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>Stakeholder Group:</p> <p><i>(Please select the stakeholder group with which you most closely identify.)</i></p>	CFA Institute Member
<p>Region:</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>	United States of America
<p>Country:</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>	United States of America
<p>Confidentiality Preference:</p> <p><i>(Please select your preference for whether or not your response is published on the CFA Institute website.)</i></p>	Publish

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.

As far as I am aware, the CFA Institute has never contacted members regarding what type of change is desired or what actions should be taken to drive change if a change to policies and procedures is found to be desired by members.

<QUESTION_01>

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

<QUESTION_02>

I reject the principles as they stand based on the above lack of input from members cited in Question #1.

<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. Equal treatment regardless of an individual's identity group(s).

This is a fundamental Enlightenment principle:

https://en.wikipedia.org/wiki/Equality_before_the_law

<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>

No.

<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>

No.

<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>

The CFA Institute should work to minimize the amount of identity based information that is used to select investment professionals, managers, and firms within the investment industry.

The guide, as it stands, works to segregate and divide professionals, managers, and firms within the investment industry.

I object to the CFA Institute taking steps to accommodate these types of RFP requests, as I believe them to be fundamentally unethical.

<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>

The principles, as they stand, encourage discriminate in violation of the U.S. Federal Civil Rights Act of 1964. This landmark law in the United States that outlawed discrimination based on race, color, religion, sex, national origin, and later sexual orientation and gender identity.

One of the key domains of this law was employment. This law specified that it is illegal in the United States of America to base employment decisions on the above referenced identity groups, labeling them protected classes.

<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. If I saw that an investment organization was a signatory to these principles, I would think less of them, as I believe the principles are unethical as currently written and encourage

behavior in violation of U.S. law. One of the key tenets of CFA ethics curriculum is adherence to all national, state, and local laws and regulations in full.

<QUESTION_08>

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

<QUESTION_09>

The guide should be almost entirely deleted or rewritten. See response to Question #1.

<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 authorized to speak on behalf of my firm. This submission is on behalf of me as an individual CFA Institute member.

<QUESTION_10>

DEI CODE AND IMPLEMENTATION GUIDANCE FOR INVESTMENT ORGANIZATIONS

General comments section

11. General comments on the Code and Implementation Guidance:

<COMMENT_11>

Below are some additional classification systems for the CFA Institute to reflect upon.

Like the system proposed by the CFA Institute, the below methodologies list a variety of categories to divide and place individuals into based on fundamentally meaningless socially constructed criteria.



Source:

<https://www.timesofisrael.com/the-long-twisted-shadow-cast-by-nazi-medical-experiments/>

Population group	S.A. Citizen	Non-S.A. Citizen
(i) White	00	10
(ii) Cape Coloured	01	11
(iii) Malay	02	12
(iv) Griqua	03	13
(v) Chinese	04	14
(vi) Indian	05	15
(vii) Other Asian	06	16
(viii) Other Coloured	07	17

Source:

<https://www.apartheidmuseum.org/exhibitions/race-classification>

Of course, the stated intents of the CFA Institute, Nuremberg Laws, and Population Registration Act No. 30 of 1950 of South Africa are/were different. What remains similar is the creation of arbitrary categories, the placing of individuals in those categories, and the idea that decisions should be made regarding an individual's fate based on the categories they are placed into.

As should be obvious from reading my responses to the prior questions, I do not support any of the above classification systems. I do not support dividing individuals into arbitrary categories, as I believe it is inherently divisive and works to divide people rather than bring them together. I believe classification systems, such as the Reporting Framework proposed by the CFA Institute, are immoral and wrong.

It is very dispiriting that the CFA Institute has likely already determined their course of action, which is to implement their proposed system of categories or a similar system, and is merely soliciting feedback as a platitude.

<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>