

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>	SLC Management
<p>Stakeholder Group:</p> <p><i>(Please select the stakeholder group with which you most closely identify.)</i></p>	Investment Manager
<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>	North 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>	Canada and U.S.
<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>	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. We believe that the investment industry will benefit greatly from having a formal DEI Code to help focus DEI efforts and provide a framework for evaluating progress in this area.

<QUESTION_01>

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

<QUESTION_02>

Yes

<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; we feel the Code is comprehensive.

<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>

The Code provides a helpful framework for us to think about and prioritize our internal DE&I efforts (i.e., where to dedicate our efforts and resources). We particularly endorse the Sixth Principle, Measurement, and believe that it is very important. We believe the Reporting Framework is a critical piece of evaluating an organization's commitment to abiding by the Code, as the need to report out will help create accountability for the organization to implement measurable change.

<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>

The Implementation Guidance is another mechanism that we believe will help organizations enact change after committing to the code; its tremendous level of detail will be a helpful tool for organizations who aren't sure what specific actions to take to drive change. However, because it is so comprehensive it may seem daunting (particularly to firms that are earlier in their DE&I journey) and so it may be helpful to provide a framework for organizations to prioritize where to begin to ensure they get the most out of the Guidance.

<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>

We currently respond to dozens of requests each year to share DEI data, and are hopeful that if the Code is widely adopted it would standardize questions and data expectations which would make it easier for us to respond comprehensively and in a timely fashion.

<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>

To our knowledge the draft Principles are fully supportive and complementary with local regulations.

<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>

We expect that investors would be reassured that if an investment organization is a signatory to the Code, they will meet a baseline adherence to industry DE&I norms. While an organization’s status as a signatory may not be a guarantee of a positive/progressive culture, it is certainly an important indicator.

<QUESTION_08>

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

<QUESTION_09>

We believe much of the value of the Code and the associated Reporting Framework is the ability to track progress year over year. Many of the actions recommended in the Implementation Guidance may span multiple years to truly bring about change, and so it may not make sense to drastically change the Implementation Guidance on a frequent basis. However, we do believe there would be significant value in an annual update to the Implementation Guidance, perhaps highlighting the most notable initiatives and best practices from the previous year to encourage organizations to continue to expand the scope of their DE&I work.

<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>

Yes

<QUESTION_10>

DEI CODE AND IMPLEMENTATION GUIDANCE FOR INVESTMENT ORGANIZATIONS

General comments section

11. General comments on the Code and Implementation Guidance:

<COMMENT_11>

As we have learned in our DE&I efforts, and as evident in the detailed Principles proposed by the CFA, there is tremendous opportunity for progress in this space. We are optimistic that this Code can drive some of that necessary change, but are cognizant that the plan for progress will look different for each firm depending on its size and resources. It would be helpful for the CFA to clearly specify the type of feedback it will share with each organization, the extent to which the organization will be expected to act upon the feedback, and whether the feedback will impact a firm’s signatory status. For example, if an organization commits to the Code but fails to make progress year over year, would they be held accountable to enact change or else have their signatory status recalled?

Additionally, the Exposure Draft of the Code states that signatories will “confidentially report” on their progress annually and that the CFA may showcase organization’s progress only with a signatory’s agreement. How would the CFA plan to assess progress to determine which firms would be showcased, particularly employee confidentiality considerations? Would the CFA consider publishing an assessment/rating framework? These answers to these questions may help incentivize organizations to sign the Code and to commit to driving measurable change, so we would encourage the CFA to consider sharing such guidance.

<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>