

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>Click or tap here to enter text.</p>
<p>Stakeholder Group:</p> <p><i>(Please select the stakeholder group with which you most closely identify.)</i></p>	<p>Investment Professional</p>
<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>	<p>North America</p>
<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>	<p>Canada</p>
<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>	<p>yes, my response may be published</p>

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 do not think a DEI Code is necessary for an organization focused on Finance.]

<QUESTION_01>

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

<QUESTION_02>

[I don't think the Principles have anything to do with promoting Financial education and competence in Financial theory.]

<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>

[I would like the code abolished, I find it immoral. I think it is misguided to be hyper focused on people's immutable characteristics. People should be judged based on their individuality, and to categorize them based on immutable characteristics, and endorse policies that necessarily discriminate based on those features for the supposed benefit of manipulating the outcomes of the race/gender proportions of a given workforce – that will lead to problems. Those who receive the benefit of affirmative action will wonder if they are merely tokens, and those who were denied positions they earned on merit will feel aggrieved, (rightfully so), when a less candidate is selected over them for subjective diversity objectives. Professional merit is the only criteria that matters.]

<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 objective itself is misguided. It nullifies the value of people’s individuality, and partitions them based on race/gender needlessly.]

<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>

[I hope not. I hope institutions discard the dystopian and discriminatory ideas proposed in this 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>

[I would hope they ignore and refuse to be signatories for this kind of discriminatory set of policies.]

<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>

[On paper, the code violates human rights laws that prohibit discrimination based on race/sex, among other things. In practice though many governments of a particular political bias seem to endorse discrimination when they believe it modifies the scales in favor of under-represented groups whose representation in desirable fields. For example, if race X is under represented in field Y, then the government will likely find it acceptable for a firm to preferential treatment to individual candidates based on their membership of race X, even if that candidate was less qualified than alternative candidates of other races. According to MLK’s framework, every individual should be judged by the content of their character, not the color of their skin. Race should not be a consideration, and legally, such consideration is illegal (though as I mentioned, discrimination in a certain direction seems to be acceptable, as of recently)]

<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>

This depends entirely on the political leanings of the investors. Individuals who are left wing, (ie, democrat, liberal, socialist, communist), would be pleased to hear about this. Individuals who are right wing, (Republican, conservative, libertarian, classical liberal), would find this objectionable. I don't think the CFA should play politics, I think it should remain neutral and focus on financial theory, and not endorse political positions.

<QUESTION_08>

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

<QUESTION_09>

[I have no opinion on this. Ideally, if the code is ethically sound, it should be updated very infrequently, much like the US constitution has stood mostly untouched.]

<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 speaking on behalf of my employer.]

<QUESTION_10>

DEI CODE AND IMPLEMENTATION GUIDANCE FOR INVESTMENT ORGANIZATIONS

General comments section

11. General comments on the Code and Implementation Guidance:

<COMMENT_11>

I think this code is a mistake. Your core focus is finance, not social/cultural engineering. You will alienate right wing members and investors if you move forward with this left wing biased guidance.

<COMMENT_11>

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

<COMMENT_12>

It is a mistake to focus on people's race/sex. Focus on improving people's access to education and performance – regardless of whether they are “diverse” or not. Helping everyone who needs help regardless of their race/sex is the most tolerant and inclusive thing you can do.

<COMMENT_12>

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

<COMMENT_13>

Equity focuses on manipulating group level outcomes along superficial bases like race/gender. A fair approach discards the principle of equity, and instead focuses on individuality. The individual is the most fractured minority there is, and people's rights should be respected as individuals, not as constituents of a race/sex for which space allotments are reserved according to subjective diversity targets.

<COMMENT_13>

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

<COMMENT_14>

My statement from Comment 13 still applies here. The most inclusive thing you can do is allow people their individuality, and to not discriminate based on race/gender. Discriminate solely based on aptitude/competency for the role in question.

<COMMENT_14>

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

<COMMENT_15>

Leadership is not based on looking a certain way, it's based on character and competency. Any objective that seeks to put people in leadership roles specifically because they are of a certain race/sex is synthetic and cheapens the authenticity of the role. People will resent that, even if they're afraid to say it out loud for fear of backlash.

<COMMENT_15>

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

<COMMENT_16>

I don't agree with using the voice to promote these ideas, I find them divisive and unethical.

<COMMENT_16>

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

<COMMENT_17>

I get very nervous to see that you are recommending tracking the race/sex proportions of workplaces, and subjectively recommending discrimination in one direction or another to

appease some more supposedly ideal ratio. This is completely contrary to respecting people's rights as individuals.

<COMMENT_17>