

ASSET MANAGER CODE™

The most widely adopted global code of professional conduct for organizations managing clients' investments



Introduction

The Asset Manager Code is a principles-based code of conduct designed specifically for asset management firms.

It was created in 2005 by CFA charterholders to encourage firms to embed the principles of the CFA Institute Code of Ethics and Standards of Professional Conduct into their organizational cultures. These charterholders understood that a **culture based on ethics and professional conduct is an enabler to mitigating business conduct risk, attracting and retaining talent, and improving client and other stakeholder relationships.**

The principles of the Asset Manager Code are as important as ever as asset management firms address a number of challenges – from virtual workplaces to demands for increased corporate social responsibility.

The Asset Manager Code lays out the following six general principles of conduct for the professional responsibilities of an asset management firm and its employees:

- 1 Act in a professional and ethical manner at all times
- 2 Act for the benefit of clients
- 3 Act with independence and objectivity
- 4 Act with skill, competence, and diligence
- 5 Communicate with clients in a timely and accurate manner
- 6 Uphold the applicable rules governing capital markets

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Developed by Investment Professionals for Asset Management Firms

Like all CFA Institute codes and standards, the Asset Manager Code was developed through a collaborative effort between CFA Institute and investment professionals.

CFA Institute is a global association of investment professionals that sets the standard for ethics, education, and professional excellence in the investment management industry. The organization is a champion of ethical behavior in investment markets and a respected source of knowledge in the global financial community. CFA Institute aims to create an environment where investors' interests come first, markets function at their best, and economies grow. The organization has over 150 member societies and more than 180,000 members working in more than 150 markets worldwide.

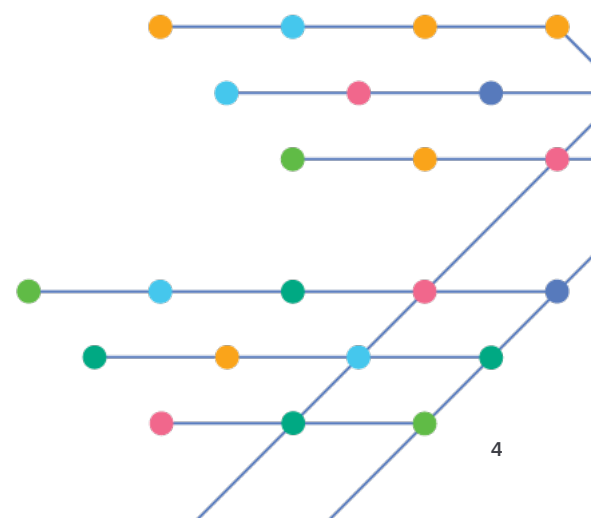
The Asset Manager Code is based on the CFA Institute Code of Ethics and Standards of Professional Conduct, with which all CFA charterholders, CIPM certificants, CFA Institute members, and exam candidates are required to comply. The Asset Manager Code was born from the efforts of CFA charterholders and CFA Institute members who sought a firm-level version of the CFA Institute Code of Ethics and Standards of Professional Conduct to facilitate a work environment where management and employees are committed to upholding the highest standards of ethics and professional conduct.



"Investors deserve and should expect the highest level of professional conduct in the firms and individuals with whom they entrust their investments. Our clients entrust BlackRock to manage more assets than any other firm in the world, they are our number one priority.

Adopting the Asset Manager Code is one more demonstration of our commitment to placing the needs and interests of our clients above all else."

Rob Goldstein, BlackRock's Chief Operating Officer & Global Head of BlackRock Solutions



The Global Reach of the Asset Manager Code

The Asset Manager Code (AMC) is globally relevant and provides a gold standard code of professional conduct. Adopted by organizations around the world, the AMC has been implemented by many of the top asset management firms. As of 31 August 2021:

1,080+

organizations claim compliance with the AMC

47 markets

have organizations that claim compliance with the AMC

16 of the top 20

investment managers claim compliance with the AMC, for their full organization or a subsidiary

15+ years

The AMC has been continuously maintained by CFA Institute for more than 15 years



"Being global is an especially valuable aspect of the Asset Manager Code, as we invest through the best managers on a global basis. Having the confidence that they adhere to the standard across the globe is critical."

"Our Fund is entrusted with the retirement savings for more than 2 million Australians. That trust is very important to us and it underpins our philosophy of Members First. The CFA Code's general principles of conduct underpin the minimum standards that AustralianSuper drives within its investment agreements. It provides a clear and consistent ethical and professional behaviour framework across all managers in all asset classes."

Mark Delaney, Chief Investment Officer and Deputy Chief Executive Officer,
AustralianSuper

Benefits of Complying with the Asset Manager Code

Mitigate Business Conduct Risk

Investment management firms use the Asset Manager Code as a global benchmark to help establish and maintain a culture that encourages responsible business conduct. Culture is the implicit and explicit norms that guide individuals' behavior in the absence of regulations or compliance rules. It is the system of values, beliefs, and behaviors that influences how work gets done and how the firm and its employees interact with the firm's stakeholders. A culture firmly rooted in ethics and professional conduct lowers the risk of conduct violations that could lead to financial losses and reputational damage.

The absence of ethics and professional conduct in a firm's culture has been found to be a significant contributing factor to regulatory violations. Regulators expect boards and management to establish and oversee a culture that deters misconduct. Complying with the Asset Manager Code, an independent third-party global standard from a professional investment body, can provide evidence that demonstrates to regulators that a firm is fulfilling its responsibilities.

Attract and Retain Talent

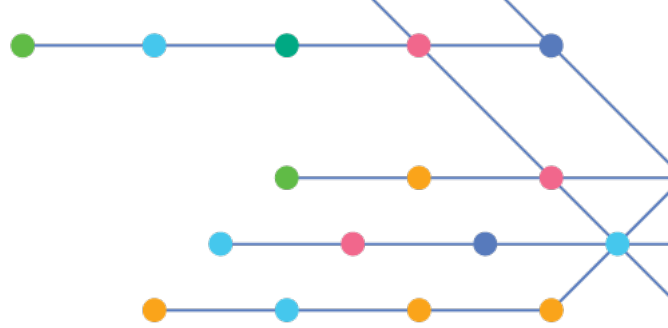
A culture that incorporates the principles of the Asset Manager Code can help attract and retain investment professionals and other employees. Investment professionals are committed to carrying out their duties in an ethical manner with skill, competence, and diligence, and they want to work for organizations that support them and share their values. Setting expectations for professional conduct and accountability is even more critical in an era of remote and hybrid work. Firms that comply with the Asset Manager Code establish a culture that reinforces expectations for professional conduct and accountability.

A claim of compliance with the Asset Manager Code shows current and prospective employees that the firm is committed to a work environment where investment professionals can practice their craft with professional excellence and uphold their duties to clients. Employees who feel their organization's values are aligned with their own are more engaged, productive, and satisfied.

Improving Stakeholder Relationships

A firm that claims compliance with the Asset Manager Code signals to clients that it is committed to professional excellence, a culture of integrity, and putting clients' interests first. The Asset Manager Code requires a firm to act for the benefit of clients, act with objectivity and diligence, and provides clients with accurate, timely communications. A claim of compliance with the Asset Manager Code provides a global benchmark that prospective clients can use to evaluate a firm. It distinguishes firms that commit to the highest standards of professional excellence from firms that settle for the minimum standards required by law.

Other stakeholders benefit as well when a firm complies with the Asset Manager Code. Shareholders benefit when a company has a culture that supports sound, reputable, and conscientious management of business operations. The investment industry at large benefits when firms operate with transparency and integrity and investors are treated in a professional and ethical manner at all times. Operating according to the Asset Manager Code principles provides a framework of actions that are both a component and a manifestation of sound governance and corporate responsibility and contribute to better outcomes for all stakeholders.



Claim Compliance with the Asset Manager Code

A firm's board and management are responsible for shaping the culture of the firm. To effectively implement the Asset Manager Code, it is essential that senior leadership clearly communicates that the Asset Manager Code is aligned with and integrated into the firm's culture and values.

The process for implementing the Asset Management Code begins with a comparison of the Asset Manager Code's requirements to the firm's existing code of conduct and related policies and procedures to identify gaps. In many cases, a firm will find that only incremental changes are needed to meet the Asset Manager Code's requirements. In some instances, a firm may discover that its existing policies and procedures already align with the Asset Manager Code. [Tools](#) are available on the CFA Institute website to aid firms with this comparison.

If a firm identifies shortfalls relative to the Asset Manager Code's requirements, the firm must create and implement the necessary policies and procedures to bring the firm into compliance. The principles-based nature of the Asset Management Code provides flexibility for firms to tailor policies and procedures accordingly. The final step in claiming compliance with the Asset Manager Code is to complete the compliance notification form on the CFA Institute website and to confirm compliance annually thereafter.

Once a firm claims compliance, all employees should understand their roles and responsibilities for upholding the principles and requirements of the Asset Manager Code. At a minimum, this should be done during employee onboarding and annual training. On a daily basis, the Asset Manager Code should influence the discussions and decisions of the firm's operations, the development of the employees, and how the firm represents itself to its external stakeholders.

Asset managers that claim compliance with the Asset Manager Code stand out as leaders in the industry for their prioritization of ethics, professional conduct, and sound governance.



"Millions of investors place their trust in asset managers like SBI Mutual Fund. It is therefore critical that investment professionals and firms undertake and perform their responsibilities with honesty and integrity to maintain investors' trust and confidence. SBI Mutual Fund's voluntary adherence to CFA Institute's Asset Manager Code reinforces its commitment to the highest standards of ethical practices."

Naveen Munot, Chief Investment Officer, SBI Funds Management

For questions or to request further information, please visit
[cfainstitute.org/amc](https://www.cfainstitute.org/amc) or contact us at industrystandards@cfainstitute.org.

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