

CFA ESG Standards

The G in ESG stands for Governance. While many in the “ESG” community wants to limit it to proxy voting and more social issues, I think CFA standards should push CFA Governance values in transparency especially in fees and performance.

I am bothered by the line in the draft.

*“adhere to the disclosure-related principles of the CFA Institute Asset Manager Code when offering investment products with ESG-related features, **provided** the organization claims compliance with the Asset Manager Code.”*

Why should the CFA institute allow managers to claim an ESG code if they refuse to provide the transparency in fees and performance for other codes like the Asset Manager Code and GIPS.

Allowing firms who refuse to provide the transparency needed for AMC or GIPS to claim a CFA institute ESG standard severely weakens the other standards.

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