

Submitted Electronically

September 14, 2020

Ms. Vanessa Countryman
Federal Advisory Committee Management Officer
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Asset Management Advisory Committee meeting - File Number 265-33

Dear Ms. Countryman:

CFA Institute, the world's largest association of investment professionals,¹ appreciates the opportunity to provide our perspective on the topic of ESG investing and analysis in connection with the 16 September meeting of the Asset Management Advisory Committee and the related workstream of the ESG Subcommittee. CFA Institute has taken a leading role in looking at ESG factors as part of fundamental analysis of securities and we regularly survey our diverse global membership to understand their on-the-ground assessments of ESG investment practices, disclosure and considerations. It is from this vantage point that we submit the following documents for your consideration:

[Open consultation on "CFA Institute ESG Disclosure Standards for Investment Products."](#) CFA Institute is currently developing a voluntary, global industry standard for the classification and disclosure of ESG investment products. The purpose of the standard is to enable investment managers to better communicate the features and benefits of ESG investment products and to allow clients to better understand and compare ESG investment products with respect to objectives, constraints, methods (strategies), and holdings (assets), in much the same manner as the CFA Institute Global Investment Performance Standards (GIPS®) enable transparency and comparability with respect to investment performance. We are currently seeking feedback on the proposed scope, structure, and design principles for the forthcoming ESG Disclosure Standards for Investment Products. We expect an exposure draft of the standard to be released in the summer of 2021 with the final standard to be released in 2022.

[White paper on "Short-Termism Revisited: Improvements Made and Challenges in Investing for the Long-Term."](#) In 2020, CFA Institute convened a panel to revisit the topic of short-termism

¹ CFA Institute is a global, not-for-profit professional association with more than 80,000 U.S.-based investment analysts, advisers, portfolio managers, and other investment professionals affiliated with our 67 CFA local societies in the United States. Globally, our membership includes more than 185,400 investment analysts, advisers, portfolio managers, and other investment professionals in 163 countries, of whom more than 178,500 hold the Chartered Financial Analyst® (CFA®) designation. CFA Institute membership also includes 160 member societies in 77 countries and territories.

and commissioned Fund Governance Analytics to quantitatively analyze the issue. This panel found that the biggest change in the short-termism-vs-long-termism debate since 2006 has been the growth in ESG and sustainability in the investment process. These forces have focused increased attention on management managing for the long-term and incorporating material ESG metrics into their strategic decisions.

[Surveys on "ESG."](#) In 2017, CFA Institute surveyed our members and found that 73% of the respondents factor ESG information into their investment analyses and decisions because they believe it is material at some level, with governance being the most common issue they considered. In 2018, we conducted a similar survey of senior global investment professionals where we found that by far the most widespread reason for using ESG information in investment decisions – by 63% of respondents – was materiality to investment performance. In our 2020 survey on ["Earning Investors' Trust."](#) we found that two-thirds of institutional investors surveyed think the growth of ESG investing has increased trust in the financial services industry.

Finally, on 21 September, CFA Institute will publish a white paper and the results of our survey on “Climate Change Analysis in the Investment Process.” We plan to share these results with the committee.

Thank you for considering our views. We are happy to be of resource to the committee members as they continue to study ESG investment practices, disclosure and analysis. Should you have any questions about our positions, please do not hesitate to contact us.

Sincerely,

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