Code of Ethics

Standards of Professional Conduct

Professionalism Subsections

Integrity of Capital Markets Subsections

I. Professionalism

II. Integrity of Capital Markets

III. Duties to Clients

IV. Duties to Employers

V. Investment Analysis, Recommendations, and Actions

VI. Conflicts of Interest

VII. Responsibilities as a CFA Institute Member or CFA Candidate

- Act with integrity, competence, diligence, respect, and in an ethical manner.

- Place the integrity of the investment profession and the interests of clients above your own interests.

- Use reasonable care and judgment with analysis, recommendations and investment actions.

- Practice and encourage others to practice in an ethical manner.

- Promote the integrity of and uphold the rules governing capital markets.

- Maintain and improve your professional competence and strive to do so for other investment professionals.

A. **Knowledge of the Law.** Understand and comply with all applicable laws. Follow the more strict law or regulation. Must not knowingly participate or assist in and must disassociate from violations.

B. **Independence and Objectivity.** Use reasonable care and judgment to maintain independence and objectivity. No gifts or benefits that can compromise their independence or objectivity.

C. **Misrepresentation.** No misrepresentations related to analysis, recommendations, actions or other professional activities.

D. **Misconduct.** No professional conduct involving dishonesty, fraud or deceit.

A. **Material Nonpublic Information.** Nonpublic information that could affect the value of an investment cannot be acted upon. Cannot cause others to act upon such information.

B. **Market Manipulation.** Cannot take action to distort prices or artificially inflate trading volume with the intent to mislead market participants.

Duties to Clients Subsections

Duties to Employers Subsections

Investment Analysis, Recommendations, and Actions Subsections

Conflicts of Interest Subsections

A. **Loyalty.** Must act for the benefit of their employer, not withhold skills and abilities, or divulge confidential information.

B. **Additional Compensation Arrangements.** Must not accept gifts, benefits, compensation or consideration that might create a conflict of interest with their employer's interest unless there's written consent from all parties involved.

C. **Responsibilities of Supervisors.** Must make reasonable effort to detect and prevent violations of applicable laws, rules, regulations, and the Code and Standards by anyone subject to their supervision.

A. **Disclosure of Conflicts** Must disclose all matters that could impair their independence and objectivity or interfere with duties to clients and employer. Must ensure such disclosures are prominent and delivered in plain language.

B. **Priority of Transactions.** Transactions for clients and employers must have priority over transactions in which a Member or Candidate is the beneficial owner.

C. **Referral Fees.** Must disclose to their employer, clients and prospective clients, as appropriate, any compensation, consideration or benefit received from or paid to others for the recommendation or products or services.
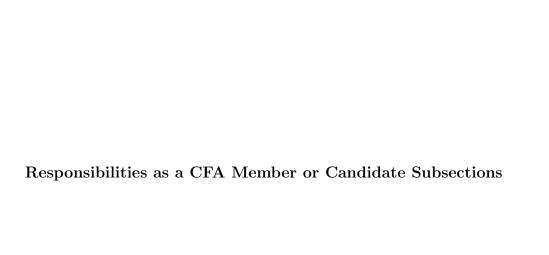
A. **Loyalty, Prucence and Care.** Must act with reasonable care. Place clients' interests before their employer's or their own interests.

B. **Fair Dealing.** Deal fairly and objectively with all clients when providing analysis, recommendations or taking investment action.

C. **Suitability.**

1. When in an advisory relationship with a client:
   a. Consider the client's investment experience, risk and return, and financial constraints. Must update this information regularly.
   b. Determine suitability before taking action or making a recommendation.
   c. Judge the suitability of investments in the context of the entire portfolio.
2. When managing to a specific mandate, strategy or style, recommendations and actions must be consistent with those objectives.

D. **Performance Presentation.** Make reasonable efforts to ensure performance information is fair, accurate and complete.

E. **Preservation of Confidentiality.** Must keep information confidential unless:

1. The information concerns illegal activities.
2. Disclosure is required by law.
3. The client or prospective client permits disclosure of the information.

A. **Diligence and Reasonable Basis.** Members and Candidates must:

1. Use diligence, independence, and thoroughness in analysis, recommendations, and investment actions.
2. Support analysis, recommendation and action with research and investigation.

B. **Communications with Clients and Prospective Clients.** Members and Candidates must:

1. Disclose to clients basic investment processes and any changes that materially affect those processes.
2. Use judgment identifying investment factors and include those factors in communications with clients.
3. Distinguish between fact and opinion in presentation of analysis and recommendation.

C. **Record Retention.** Maintain appropriate records to support their analysis, recommendations, actions, and other communications with clients and prospective clients.

Responsibilities as a CFA Member or Candidate Subsections

STUDY SESSION 1

A. **Conduct as Members and Candidates in the CFA Program.** Must not engage in any conduct that compromises the reputation of the CFA Institute, the CFA designation or the CFA exam.

B. **Reference to CFA Institute, the CFA Designation, and the CFA Program.** Must not misrepresent or exaggerate the meaning or implications of holding the CFA designation or candidacy in the CFA program.