July 17, 2020

Office of Regulations and Interpretations US Department of Labor
Room N-5655
200 Constitution Avenue NW Washington, DC 20210

RE: Proposed rule on Financial Factors in Selecting Plan Investments (RIN 1210-AB95)

To whom it may concern:

I write to provide comments in response to the Department of Labor's proposed rule, "Financial Factors in Selecting Plan Investments" (RIN 1210-AB95) (the "Proposal").

I am an owner of a registered investment advisor and long-time sustainable investor. Our firm acts as a consultant and sub-advisor for other RIAs and advisors. One of our primary focuses has been helping other institutions thoughtfully integrate values-based criteria into their investment process and deliver those solutions to their clients.

In my opinion, the Department of Labor fails to articulate a rational connection between the relevant facts and the proposed rule. The Proposal reveals a fundamental misunderstanding of how professional investment managers use environmental, social and governance (ESG) criteria as an additional level of due diligence and analysis in the portfolio construction process.

Based on my experience and the majority of the research related to ESG and performance, this proposal is both out-of-step with the research findings and contrary to the direction industry is moving. Investment managers increasingly analyze ESG factors precisely because they view these factors as material to financial performance.

A. The proposed rule assumes ESG strategies sacrifice financial returns, but current research findings show ESG strategies perform in line with, or even outperform, non-ESG peers (see "ESG and financial performance: aggregated evidence from more than 2000 empirical studies" by Gunnar Friede, Timo Busch, and Alexander Bassen)

B. In addition to research, there is evidence that the integration of ESG data into indexes, and passive solutions that track those indexes, also can outperform. For instance, please see the MSCI ACWI ESG index versus MSCI ACWI index returns below (Source: MSCI):

INDEX PERFORMANCE — GROSS RETURNS (%) (JUN 30, 2020)

					ANNUALIZED			
	1 Mo	3 Mo	1 Yr	YTD	3 Yr	5 Yr	10 Yr	Since Sep 28, 2007
MSCI ACWI ESG Leaders	3.11	19.04	4.86	-4.70	7.64	7.64	10.14	5.39
MSCI ACWI	3.24	19.39	2.64	-5.99	6.70	7.03	9.74	4.63

C. The proposed rule assumes ESG considerations are not material, but the Sustainability Accounting Standards Board standards adoption process is based on the financial materiality legal standard.

D. The proposed rule assumes ESG considerations could violate fiduciary duty, but other jurisdictions' regulatory interpretations support prudent investor consideration of ESG factors as material and within fiduciary duty.

E. The proposed rule assumes that ESG considerations are not material to corporate success, but the Business Roundtable Statement on Corporate Purpose demonstrates broad issuer acceptance of materiality as integral to corporate long-term success.

The Proposal is likely to have the perverse effect of dissuading fiduciaries, even against their better judgment, from offering options for their plans that consider ESG factors as part of the evaluation of material financial criteria. As a result, it will unfairly, and harmfully, limit plan diversification and perhaps compel plan participants to choose options that are either more risky or less profitable.

I respectfully request that the Proposal be withdrawn. Thank you for your consideration of these comments.

Sincerely,

Brett Greenfield, CFP®, CSRIC™

Investment Research Partners, LLC