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Financial Factors in Selecting Plan Investments

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Submitter Information

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General Comment

Office of Regulations and Interpretations
Employee Benefits Security Administration
Room N-5655
U.S. Department of Labor
200 Constitution Ave., N.W.
Washington, DC 20210

Re: RIN 1210-AB95

Dear Mr. DeWitt,

As a private sector employee and a senior executive who oversees employee benefits for my Company, I want to comment on the Department of Labor's proposed rule addressing ESG fund investments. This rule directly affects me and our employees, and I support it because investors managing beneficiaries' private sector ERISA retirement funds should focus exclusively on maximizing returns and not on other factors.

It is concerning to me that progressive officials are advocating for fund managers to include worse performing social welfare and environmental plans over traditional ones even when research has shown us that the returns are significantly less. Wayne Winegarden with the Pacific Research Institute[1] found that ESG investments produced 43.9% less than the standard S&P Index Funds. Furthermore, a recent analysis[2] of the iShares MSCI USA ESG Select Social Index Fund, one of the oldest and largest ESG Funds, found that it underperformed the S&P 500 by 37points. If we are doing our jobs as fiduciaries right, I believe that we must prioritize returns on investments as opposed to political and social causes through ESG investing. Investors are expecting and planning their lives based on maximum returns and that is what we owe them. While I understand the appeal for some investors, it is not appropriate for an ERISA fiduciary managing other people's money.

Best,
Robert Lettieri
CFO
CellTrust